JPRS-CRF-86-018

24 SEPTEMBER 1986

ERRATUM: In JPRS-CRF-86-117 of 28 August 1986 subtitled RED FLAG No 14, 6 July 1986, please renumber cover and "a" page of Table of Contents to read JPRS-CRF-86-017.

China Report

RED FLAG

No 15, 1 AUGUST 1986

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CHINA REPORT

RED FLAG

No 15, 1 August 1986

[Translation of the semimonthly theoretical journal RED FLAG of the Central Committee of the Communist Party of China published in Beijing.]

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IT IS NECESSARY TO STUDY HOW TO FURTHER REFORM THE POLITICAL STRUCTURE

Beijing RED FLAG in Chinese No 15, 1 Aug 86 p 2

["Forum"]

[Text] The question of political structural reform was raised by the 3d Plenary Session of the 11th CPC Central Committee. Over the past few years, we have adopted a series of measures aimed at developing socialist democracy and strengthening the socialist legal system; we have reformed to some extent the system of leadership of the party and state and the system of cadres and personnel and have achieved some successes. It should be noted, however, that reforms in this field have only just started and are far from meeting the requirements of development. Carrying out further reforms in political structure is absolutely essential for speeding up reforms in the entire economic structure with the focus on cities.

Economy is the foundation while politics is the concentrated expression of the economy; the superstructure is determined by the economic base and in turn serves it. This is a basic Marxist viewpoint on the relationship between economy and politics. Political structural reforms and economic structural reforms depend on and dovetail with each other. Economic structural reforms cannot be successful unless political structural reforms are carried out. An important aspect of economic structural reform is to improve the state's methods of managing the national economy. It is therefore essential to solve the problems of separating party and government responsibilities and of overconcentration of power. It is essential to delegate powers and expand enterprise decisionmaking powers in order to invigorate the economy, yet some places are still taking powers back from the lower levels by means of companies and other forms. This cannot but have an impact on the enterprises' initiative. There is no doubt at all that we must uphold party leadership. The problem lies in whether or not we are skilled at providing leadership. Party leadership will actually be weakened if the party intervenes too much and without success. For instance, many problems within the scope of law and society should be handled by the state and the government and resolved by relying on the legal system and social education. If the party intervenes too much, and goes so far as to include within the scope of party style many problems concerning violations of law and discipline, this will not help in establishing the concept of legal system among the whole body of the people. All these are problems involving political structural reform. Only by really solving these problems can we ensure the smooth progress of economic structural reforms and can the socialist legal system be strengthened.

Naturally, the reform of the political structure is not limited to these problems; there are also the problems of unwieldy organs, overstaffing, bureaucratism, buck-passing, procrastination, and so on. For many years we have carried out the work of streamlining the administrative structure but the number of organs has not reduced but increased. With more organs and more staff, our spending has increased. This is a very big burden. Because we have more hands than needed, practices of engaging in idle or empty talk, "passing the buck," and so on have emerged. How can we improve efficiency in this regard? Many people lie idle or try to find something to do. Unwilling to relinquish their powers, they have in truth become an obstacle to the reform. In solving these problems, we cannot just focus our attention on improving our ideological style; more important, we must eliminate the defects existing in the specific systems.

Ours is an overall reform. It includes not only the reform of the political structure but also reforms in other fields. It can be said that whether or not the reforms in other fields are successful will ultimately be determined by the reform of the political structure. It is necessary to adopt a positive and cautious approach to political structural reform, carry out detailed investigation and study, listen to a broad selection of views of experts and of the masses, seriously sum up historical and current experiences, act when our minds are made up, and avoid rash action. If we succeed in carrying out this work well, our modern socialist undertaking will receive more powerful driving force and forge ahead soundly and steadily.

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CSO: 4004/64

TREATING THE POWERS IN OUR HANDS IN ACCORDANCE WITH THE PRINCIPLE OF PARTY SPIRIT

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 3-5

[Article by the party committee of a certain group army of the Guangzhou Military Region]

[Text] The members of the party committee of our group army are young and middle-aged cadres just promoted in the last few years. Since the new leading body was formed, it has faced various kinds of tests. We have learned from experience in our practice that the greatest test is how to treat the substantial powers in our hands in accordance with the principle of party spirit. This is an issue of fundamental importance which has a bearing on an improved party style.

What do the powers in the hands of our leading cadres mean? How should we weight them up? We should understand this issue in accordance with the principle of party spirit--wholehearted service to the people. With this understanding, we deeply feel that "with great power in our hands, we feel as if we are shouldering an exceptionally heavy load." Revolutionary power is an instrument for achieving the historical mission of the proletariat. Power presupposes responsibility. They are indivisible. The greater the power in our hands, the heavier our responsibility will become. The party and people have entrusted us with the important task of leading a group army. We are required to fulfill our task at this post to build a modern revolutionary army rather than to act like overlords. As party leading cadres, we should draw a strict distinction between ourselves and the government officials of the exploiting classes, "be willing servants of the people and feel ashamed to act like overlords," better combine authority with responsibility, and serve the people with the power entrusted to us by the party. Whenever we discuss the issue of power, among other things, we should always think of the responsibility which is indispensable with power. At present army building is in a period of strategic change. We are confronted with numerous new developments and new problems. For instance, how should we lead troops and train soldiers in peacetime? How should we conduct education, training, and reform in the army in accordance with the needs of future wars? How should we strengthen ideological and political work in the army in line with the characteristics of the new period? How should we carry forward the party's fine traditions and take the lead in improving party style? In particular, how should our leading cadres adapt their thinking, work style, and work to the changed strategy for army building as quickly as possible? In the face of these questions, all members of the party committee feel more than willing but are lacking in power. They can hardly afford to slack off in the least in regard to the heavy tasks they are shouldering. They are determined to do their best to bring about an upswing in army building.

Members of our party committee which was formed in 1983 are young in average age and limited in qualifications and record of service as well as in experience. Their average age is less than 46. The older members joined the army in the 1960's. This naturally poses a pertinent question for us: What should the new leading body rely on in leading troops well and bringing about an upswing in army building? The best way to lead troops is for the leadership to set an example in thinking, work style, behavior, and other respects and acquire real prestige. The party committee is aware that power and prestige are not an equal thing. Power, which is of a mandatory character, means submission of the lower level to the higher level. The same is particularly true of the army. It should lay greater stress on this point. However, as a leader, one must not issue orders merely by relying on the power entrusted to one by the party and people and on the organizational submission of subordinates. The real prestige of a leader should be based on his exemplary deeds. If the leadership does well in this regard, the policy decisions it makes will be highly authoritative. Otherwise, even if our leaders hold great power, they can hardly play their role properly and gain prestige as leaders. Since the new leading body has limited experience, it may make some errors in its work. This is understandable. If party style among its members is unsound and they abuse their powers, not only will they be shorn of their prestige but they will also damage the sound style of the army. Therefore, after the new leading body was formed, the first decision we made was to strengthen the building of the party committee itself. The decision clearly states: The leadership of the group army should take the lead in improving party style and persistently act in accordance with the "Rules of Conduct for Inner-Party Political Life." We also defined specific rules and regulations concerning housing, use of motor vehicles, reception of guests, use of orderlies, and education of the troops' family members and their children. The rules and regulations have been printed and distributed to units at and above the regimental level, which are responsible for supervising their enforcement. Since 1983 the army commander and political commissar who have held office twice have taken the lead in acting in accordance with the rules and regulations. Members of the party committee have set an example in setting strict demands on themselves and being honest in performing their official duties; in being strict with their family members and refraining from becoming "special figures"; and in being bold in firmly grasping and handling matters concerning the army and strictly and impartially enforcing law and discipline in the army. Hence, they have gained the initiative in running the army soundly and become better qualified to educate others.

To play an exemplary role, most important, leading cadres must have a correct approach toward the powers in their hands. On no account must they regard power as a tool for seeking personal gain. The powers in the hands of the communists can only be used to serve the people rather than private interests. If one uses his power out of selfish motives rather than in the service of public interests, he is bound to seek privileges and to turn from being a public servant to being lord and master. In this regard members of the new leading body are determined to ensure not seeking personal gain and practicing favoritism and to manage to pass the stiffest test of personal interests and determined not to be far "off the beam" in the face of personal relationships.

As we see it, first we should be on guard against the temptation of selfish interests, because leading cadres have more favorable conditions in this regard. Although military units are not material production departments, the group army has quite a lot of machines and motor vehicles and is engaged in industrial, agricultural, and sideline production. It possesses all resources, human, financial, and material, as one may well say. If one wants to "reap some profit," there is certainly something "profitable" there to exploit. Our army's cadres transferred to civilian work can be found everywhere throughout the country. There are some 200 such cadres working in the Shenzhen Special Economic Zone (SEZ) alone, with 60 percent of them assuming leading posts in various companies. So it is still relatively easy for one to seek some personal gain by establishing relationships with them. However, power is not private possessions, still less an exchangeable commodity. Therefore, our leading cadres can willingly set strict demands on themselves in accordance with the various stipulations formulated by the party committee. For example, some people gave live fish as a present to our leading cadres in their home; we promptly investigated the case and paid the sender appropriately. Our leading cadres were invited to feast three times; they politely refused each invitation. The administrative department proposed replacing leading cadres' dormitories and camping facilities but our leaders refused to give their endorsement. The army's headquarters suggested buying a "Crown" sedan but the party committee firmly turned down the suggestion. Matters, such as job transfers and arrangements for armymen's family members and children and readjustment of their wage scales, are handled by the organization and no individual is allowed to meddle in or to drop hints in this regard. They are also not permitted to "participate in government and political affairs" and to "seek personal gain by using their parents' powers." To high-ranking cadres, all these cannot be considered a "minor matter" of no importance. As we see it, we must be strict with ourselves even in dealing with trifles in our daily life. The big and small are the unity of opposites. A neglected petty thing may have an adverse influence and become a serious thing. This is a matter easily neglected in the present endeavor to improve party style. Moreover, a certain amount of accumulated petty things will promote the growth of selfish desire. A quantitative change will lead to a qualitative change. Therefore, members of the party committee are strict with themselves in handling things, petty or major, and are working hard to avoid seeking privileges, making an exception or creating an opportunity for others to exploit. We have also realized that as leading cadres of the party, we should have a correct attitude toward the commonly acknowledged personal interests. If we "demand satisfaction in the face of profit" and "squabble with others over it," this is not the attitude a communist should take. Take housing as an example. A few years ago, of the members of the party committee, five lived in a guesthouse and two still lived in the houses which they were assigned when they were department directors. In 1983 the higher authorities allotted special funds for building new houses or repairing old houses for leading cadres. However, the army's party committee adhered to the principle of "office personnel first, leading cadres second" in house building. It was not until all office cadres moved to new houses that the construction of houses for the army's leading cadres started. In this way the army's leading cadres felt at ease.

It is difficult to refrain from seeking private interests and even more difficult not to abuse personal relationships. After members of the new leading body assumed office, people came in succession to intercede for others or to ask them for a favor or some material help. Among them most were former superiors, comrades-in-arms, subordinates, and old fellow villagers. To better handle this problem, we insisted in paying attention to principle, feeling, and methodology. While striving to adhere to principle and to refrain from replacing policies with our emotions, we adopted reasonable measures and worked hard not to hurt the feelings of our comrades just because of adhering to principle. For example, in the second half of 1983, a division gave an additional 500 yuan to every retired veteran cadre in the name of "taking care of" veteran comrades. Some of those who received the money were former comrades-in-arms and superiors of some of the members of our leading body. After we discovered the case, instead of sparing the sensibilities of the people involved and giving them special treatment, we did a lot of work to persuade them to return the money they had taken by relating their case to the malpractices of arbitrarily issuing allowances both in cash and in kind in the community at that time. Again, for example, some veteran comrades, after retirement, came to the army to ask for steel products and cement for repairing the houses allotted to them after retirement. We gave them appropriate preferential treatment but insisted that they paid for the materials according to their prices. The facts have proved that so long as we are sincere and use correct methods in carrying out our work, most comrades can take a common sense attitude toward our work. Principle and feeling can be united in most circumstances. Of course, if the two cannot be united, first consideration should be given to the party's principles. Even if we have to give offense, still we should not practice favoritism by bartering away our principles.

In using our powers, our leading cadres should act in accordance with the policies and decrees of the party and state, ensure the implementation of policies, and safeguard the inviolability of the law. The party committee has profoundly realized from the practice over the last few years that the powers in the hands of individuals, no matter how great, should be confined to the limits of the party policies and state laws. With this understanding or conception, we can be more clearheaded and make fewer mistakes. Two years ago, to lighten the state's burden, to improve the army's material and cultural life, and to solve the problem of fund shortages, units at all levels wanted to operate businesses in the light of local conditions. Some comrades who were eager to become affluent quickly advocated using the favorable condition of being near the Shenzhen SEZ to make big money by doing business.

The party committee unanimously agreed that we should not do things in violation of the party policies and the interests of the state, even though we could make big money from them. The committee clearly defined: We should not engage in irregularities. In carrying out production, the army should adhere to the principle of "three conducives" (being conducive to the state, the army, and the people) and "four characters" (in production, development, aid, and service). This has enabled the army to always follow a correct orientation in carrying out sideline production and to increase its income by a big margin. This indicates that only when the policies and decrees of the party and state are firmly implemented can the role of power be brought into play correctly. We should be bold in using the powers of our hands to investigate and handle all violations of the law and discipline. In 1983 when the new leading body was just formed, it was confronted with a case like this: Some people wrote a letter to the leading body lodging complaints that the members of the party committee of a regiment which was many times cited as an "advanced regimental party committee" by the leading bodies at the higher levels were involved in serious economic problems. What should be done? Should we cover up or expose the contradiction using the powers in our hands? Should we safeguard the inviolability of the law or spare the feelings of a small group of people using the powers we had? Through many discussions, the standing committee of the party committee agreed that tolerance of unhealthy practices means abuse of the people's power. Instead of readily believing the conclusion drawn by the division's party committee that "they committed no serious problems" and its suggestion that "they be exempted from being investigated and held responsible for what they have been supposed to do," we organized a three-level work team to reinvestigate the case thoroughly and at last we found that they were indeed involved in serious problems, thus safeguarding the interests of the party and people.

From the practice of exercising the leadership functions and powers of the group army over the last few years, we deeply feel: If comrades at leadership posts are not prudent and if they develop the tendency to seek wealth and rank and pleasure, they will be at risk of seeking private gain by abusing their power. Why could the communists stand up to every test of real guns and bullets during the difficult war years and why did they fail to withstand the seduction of money and materials during the period of socialist construction when our party had become a party in power? Why could many comrades always be honest in performing their official duties and retain the true qualities of the people's servants after they assumed office winning the respect of the masses but why did some people seek private gain by abusing their power, thus seriously affecting the relationship between the party and the people and between cadres and the masses? This shows that power can be used as a tool to serve the people or a means to seek selfish interests. It can promote people to work hard or lure people to become corrupt and degenerate. How the two possibilities will develop completely depends on the ideological awareness of the power holders themselves and on whether or not they can approach the powers in their hands in accordance with the principle of party spirit. Precisely for this reason, the party committee of the group army always reminds its members to be on guard against the evolution of power. To prevent members of the party committee from using their power to seek privileges, we paid attention to combining the power of the leadership with the democratic rights of the masses, gave play to the supervisory role of the masses, frequently went to the masses to "seek advice" and "look into the mirror," mobilized the masses to help the party committee set rules and regulations, made public to the masses the enforcement of the rules and regulations at regular intervals, subjected ourselves to the supervision by the masses, and heeded their opinions. In May of last year, the masses reported to the army leadership that when a leading comrade of the group army built a dormitory, the area of the walls of its courtyard was so large that a lane of the barracks area had to be occupied for that purpose. Although the costs for that construction were within the limits permitted, still the standing committee of the army's party committee openly made self-criticism on many occasions. Thanks to the supervision by the masses, over the last 2 years, various rules and regulations have been carried out quite satisfactorily and their enforcement has become institutionalized and a regular practice. From this practice we have come to realize that the unity of the authority of the party committee and the democratic rights of the masses is an effective way to guard against the "evolution" of leading cadres and of authority. Supervision by the masses can both help us avoid making mistakes and encourage us to realize and correct our mistakes and it can play a role in preventing us from becoming morally degenerate.

In the last few years, some troops of our army stationed in the Shenzhen and Shantou SEZ's which border on Hong Kong and Macao have carried out their tasks in separate ways and this made it inconvenient for us to control them but because the party committee of the group army was honest and upright in its ways, leaders at all levels could act accordingly and a healthy atmosphere prevailed in all our troops. The group army has not committed major errors over the last few years and the incidence of troop accidents is the lowest in the last 2 decades. When the army streamlining and reorganization was carried out last year, large numbers of cadres were transferred to civilian work and veteran soldiers discharged from active military service. They were able to take the interests of the whole into account, observed discipline, and paid attention to unity. All quarters concerned were pleased with their behavior and actions. There has been a great improvement in military training. In a demonstration of and competition in military skills by outstanding units and individuals organized by the Guangzhou Military Region, of the 9 team items, our group army won 5 championships, 3 titles of runner-up, 33 silk banners, and 40 medals. The army's sideline production has developed rapidly and its output has increased by 465 percent in 3 years. The army was praised by a leading comrade of the Military Commission for its strengthening of troops' capital construction. Although we have made some achievements in our previous work, we still have a long way to go before we can meet the requirements set by the party and people and by the Military Commission and the higher leadership on us. There is no reason whatever for us to be self-satisfied. We should from now on work more conscientiously, treat the powers in our hands in accordance with the principle of party spirit, and strive to make greater progress and to achieve better successes.

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CSO: 4004/64

IDEALS OF THE CONTEMPORARY MILITARYMEN

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 6-8

[Article by Li Yaowen [2621 5069 2429], a Navy political commissar in the People's Liberation Army; passages within slantlines published in italics]

[Text] To realize communism is the loftiest and most ambitious ideal of our people's army led by the Communist Party. It also requires a steadfast struggle by several generations of men. The revolutionary militaryman who struggles for the realization of communist ideals will always consider the fulfillment of his duties in each historical stage as a practical step toward realizing communism. Thus, the ideals of a militaryman in different historical phases will have different concrete substance. During the democratic revolutionary period, our Army fought valiantly to overthrow the three big mountains of imperialism, feudalism, and bureaucratic capitalism, and to establish a people's democratic new China. After the founding of the PRC, our Army triumphed over the blockade and invasion of imperialism and ensured the smooth progress of socialist revolution and construction. As history brings us to the present, our duty is to defend and build the four modernizations, and to make China a highly civilized and highly democratic socialist power. Our Army's men and officers repeatedly defeated the invasions and provocations of Vietnamese regional hegemonists, and used their lives and blood to safeguard the motherland's territory and the security of the frontiers. Conscientiously submitting to the overall interests of national economic construction, they assisted in the construction of the country's major projects, warmly did good deeds for the people, and took part in rescue and relief work alongside the people. All these glow with the luster of ideals.

Today, our Army has moved onto the path of peacetime construction. Under the new historical conditions, how should the militaryman struggle to realize his loftiest ideals? According to the experiences of brother units and our Navy, I feel that efforts should be exerted in the following areas.

/First, the ideals of the militaryman are realized through the spirit of self-sacrifice./

Our Army is the defender and builder of the four modernizations. Seen from the present general situation, even though we are in peacetime, we must nonetheless continue to maintain vigilance and prevent foreign aggression. War will always incur bloodshed and sacrifices. Even in such a small-scale counteroffensive as that on the Laoshan frontline, many comrades have given their precious lives. But a militaryman's sacrifice is certainly not limited to the battlefields. Where there is danger and hardships, that is where the militaryman must go. When the troops' men and officers take part in rescue and relief work, they must voluntarily take on the most dangerous tasks. Due to the demands of national defense, troops are stationed for years in extremely cold and oxygen-deficient snowy mountains and barren plains, or on far-off islands with scarcely a soul, or they have to patrol day and night on perilous seas and wide stretches of coastal lands. Life in the Army often leads to husbands and wives being posted in two different areas. Nevertheless, the great mass of men and officers deeply understand that only with the sacrifice of a few can there be happiness for the greater majority of people, only when the frontiers are secure can socialist modernization construction be carried out smoothly. In the combat zone along the Laoshan frontline, there is a couplet which captures it well: "In defending the motherland, there is both sweetness and bitterness; one man's labor brings happiness to millions. Looking at the bright moon, there is fullness and there is flaw--one family's separation makes possible the togetherness of millions of families." The cadres and fighters' heroic acts of willingly giving up life and blood in the defense of the four modernizations and their spirit of self-sacrifice in working silently for the four modernizations in their respective battle posts are vivid manifestations of their lofty ideals.

In the Army, there are also some people who, influenced by decadent bourgeois thought, often look at the party's policy to encourage prosperity with the eye of a narrow-minded individualist. They make improper comparisons with the income and comforts of a few individual households and million-dollar households, and feel more and more "at a disadvantage," even becoming discontented with army work. Such a condition shows that under the new situation, it is even more necessary to foster firm ideals and convictions as well as to promote the self-sacrificing spirit of disregarding personal losses and not pursuing personal interests. Only by fostering the ambitious ideals of communism, by clarifying the historic mission of the contemporary militaryman, and by being equipped with the spirit of self-sacrifice will it be possible to effectively resist the corrosion of decadent bourgeois thought, love army work, and be faithful to one's responsibilities.

/Second, the militaryman's ideals must be ensured with iron-fisted discipline./

With iron discipline, the Army can move in concert and keep in step; then it is possible to conscientiously implement the different guidelines and policies of the party and the state and thereby make contributions to the defens
and building of the four modernizations.

In recent years, in the process of structural reform and Army streamlining and reorganization, some troops were disbanded and others merged. Organs at all levels have carried out a comparatively high level of streamlining. Some comrades, bidding farewell to their families and friends, were transferred from big cities to the borders and islands. Some were demoted due to work requirements. Still others await new assignments or have been transferred to civilian posts in the localities following the reorganization. In spite of this, the great majority of the people have subordinated themselves to the overall interests of national construction--be it promotion, demotion, transfer, reassignment east, west, north, or south, strict enforcement of orders and prohibitions--they all obey the organizational arrangements. All this fully demonstrates the contemporary militaryman's brand-new revolutionary outlook and his high sense of organizational discipline.

However, due to certain comrades who did not establish firm ideals and could not resist the contamination of unhealthy trends, some negative phenomena have also appeared in the Army and violations of discipline have occasionally occurred. Some have ignored party and state regulations in production management and sought private interests for themselves and their units. While these problems involve only a few people, their influence is bad, for they obstruct our Army's modernization and regularization efforts and smear our Army's image and reputation. We, the revolutionary militarymen, especially comrades assuming leading posts, should conscientiously safeguard our Army's iron discipline and resist the corrosion of bourgeois and other exploitative classes' decadent ideas. The troops should vigorously commend the advanced units and individuals who uphold overall interests and combat evil practices, sternly criticize and deal with those units and individuals who violate the rules, and, by making use of positive and negative examples, strengthen the cadres and militarymen's level of consciousness to obey the laws.

/Third, the ideals of militarymen require the scaling of heights in science and education./

Communist ideals are scientific foresight of a future social system formulated by Marx and Engels based on the principles of dialectic materialism and historical materialism. This scientific forecast is based on the objective laws in the evolution of human society. It is the crystallization of mankind's excellent scientific and cultural achievements. It is very difficult to imagine that a person who does not study Marxist theories and who have very poor cultural and scientific knowledge could hold a firm conviction on communism. At the same time, in order to build our Army into a modern and regular revolutionary force and realize the great goal of modernization of national defense, it is also necessary that the contemporary militarymen possess sufficient modern knowledge in science and education as well as master modern military science and technology. We are in an era of rapid development in science and technology. The development and changes in science and technology have notably strong effects in the military field. They not only give rise to successive production of all kinds of new weapons and equipment, but also bring about profound changes in battle concepts, strategies, and tactics. Faced with the challenge of a new international technological revolution, scaling the heights in science and education is an urgent requirement for our Army's modernization and regularization efforts as well as an urgent requirement in the defense and construction of the motherland. For the Navy, which is a knowledge- and technology-intensive force, it is even more necessary to strive to learn modern science and education.

However, the present level in science and education of the Army's cadres and soldiers is still rather low and does not correspond with the demands of our Army's modernization efforts. This is a rather notable problem. Some comrades say: Failure to conscientiously strive to bring up one's level in science and education makes for an unqualified contemporary soldier; failure to attach importance to enhancing the scientific and educational qualities of troops makes for an underserving commander in the Army's modernization efforts. This is logical. We must cultivate the spirit of tackling key problems and waging arduous struggles, strive to learn modern construction techniques and skills, vigorously train people capable for both the military and localities, and make the necessary contributions to build and safeguard the four modernizations.

/Fourth, the ideals of a militaryman should be founded on the basis of adherence to overall interest and to unity./

Our Army is forever the people's own army, and our sole objective is to serve the people wholeheartedly. During the war years, the Army and the people were as close to each other as flesh and blood and shared a common destiny. During the socialist construction period, they were united as one and of one heart and mind. Such profoundly close relations are precisely the source of strength for our Army's realization of communist ideals.

The construction of the four modernizations is the common cause of hundreds of millions of people. In the new historical period, we must continue to promote the glorious tradition of supporting the government and cherishing the people, build and develop a new type of military-civilian relations, further enhance close ties with the localities, and strengthen the unity between the Army, the government, and the people. At present it is necessary to further straighten out the relations between army building and national economic construction, and to see that army building conscientiously submits to the general interests of national economic construction. In the 1980's, if civilian assistance activities are restricted to "helping in crop plantation and harvesting," "fetching water and sweeping the grounds," then they are far from satisfactory. It is necessary for the Army to exert efforts to assist and participate in national construction and to engage in public service ventures with long-term benefits. The Navy has complete equipment and numerous military enterprises. Its technical capability is rather strong and most of its troops are stationed in coastal cities. Thus, we should bring these assets into full play, not only in terms of manpower; at the same time, we should try to free some military installations to assist in national construction. Our cadres and soldiers should foster the ideology that while the revolution has advanced and the situation has changed, the nature of our people's army does not change, nor does the objective of serving the people wholeheartedly change. In handling affairs and tackling issues, it is imperative to proceed at all times from the interests of the people and to be considerate in settling their problems and difficulties. In the process of implementing the various policies and guidelines and building socialist spiritual civilization alongside the people, the troops should promote understanding and strengthen unity. By assisting and taking part in national construction, directly earning wealth for the country, and working for the people's welfare, the Army will be able to win the respect and love of the people.

Reinforcing the Army's internal unity is the basis for performing well various tasks as well as prerequisite for strengthening unity between the military and the people. In this new period of modern construction where the responsibilities are enormous and conditions complicated, it is particularly necessary to strengthen unity between the officers and the men and between the higher and lower ranks. Especially now, when many units have been formed by merging other units following the streamlining and troop reduction drive, and with the cadres enjoying wide choices, everyone can see who goes and who stays, who moves up and who moves down. Under the circumstances, whether the leading cadres are just and adhere to principles in dealing with matters is crucial. If the leaders stick to principles, appoint people based on merit, and handle matters with impartiality, this will naturally be the nucleus for unity among cadres and soldiers. The troops could then become a coherent and indestructible fighting collective.

To foster and adhere to the great ideals of communism, to closely link these ideals with the present concrete goals and tasks of the four modernizations, to implement these ideals conscientiously in the daily thoughts and actions--these are the demands imposed on our soldiers by the times. Our contemporary soldiers should certainly inherit and carry forward the glorious traditions of the older generations of revolutionaries, and give the proper response to these demands.

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CSO: 4004/64

TENTATIVE VIEWS ON THE FACTORY DIRECTOR RESPONSIBILITY SYSTEM

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 9-12

[Article by Yuan Baohua [5913 1405 5478]]

[Text] The implementation of the factory director responsibility system is a central link in the reform of the leadership structure of industrial enterprises under the system of ownership by the whole people and one of the major contents of the overall reform of the economic structure with the stress on the reform of urban economic structure. The implementation of this system is of great significance to improving the management of enterprises, increasing the vitality of enterprises, pushing forward with the development of social productive forces, and accelerating the building of the socialist modernization. Over the past 2 years, initial results have been achieved in carrying out the reform of the leadership structure of enterprises and implementing the factory director responsibility system in selected enterprises. However, problems still remain in both understanding and actual work, which should be solved through the reform practice and theoretical study.

I. The Implementation of the Factory Director Responsibility System Is the Objective Demand of Mass Socialized Production and the Reform of the Economic Structure

The factory director responsibility system is a leadership system of factory directors (managers) assuming unified leadership over, and full responsibility for, production, management, and administrative work of enterprises. The core of the system is the strict responsibility system and the principle of unifying responsibility with rights. The implementation of such a system is the objective demand of mass socialized production and invigoration of enterprises.

The modern enterprises in mass socialized production have a detailed division of labor and a high degree of continuity in production, as well as strict technological requirements and complicated cooperative relations. Because of the continuous expansion of the scale of production of modern enterprises and the commodity market and the keen competition among enterprises, the production of modern enterprises must conform to the needs of the plan and the changing needs of the market. These characteristics require the enterprises to be placed under unified leadership and management and a strict responsibility system. Enterprises must have a person or a group of persons under the leadership of one person who can assume full responsibility for their production and management, rely on a group of operators with professional knowledge and management ability to establish a unified, powerful, and highly efficient production and management system, and on the basis of this, establish and perfect responsibility systems at various levels in the enterprises.

Along with the deepening of the reform of the economic structure and the implementation of the policy of invigorating domestic economy and opening up to the outside world, the national economy will gradually change from a product economy into a planned commodity economy and enterprises will gradually change from appendages of state organizations into relatively independent economic entities from pure production-type into production- and operation-type begin to take part in market competition, and become socialist commodity producers and operators. Along with the expansion of the decision-making power of enterprises and enterprises' responsibility for their own losses and profits, the links between the future of enterprises, the immediate interests of the workers, and the operation of enterprises are closer, so that the responsibility of operators and administrators of enterprises will become much heavier. This situation urgently requires us to implement the factory director responsibility system so as to meet the new demands on the management of modern socialist enterprises in the new situation.

Since the founding of the PRC, the leadership structure of the enterprises under the system of ownership by the whole people in our country has undergone several reforms. However, for quite a long time, we implemented the system of directors being responsible for production and management only under the leadership of the party committees in enterprises. The implementation of such a system, especially the implementation of the party's eight-character policy of "readjusting, consolidating, filling out, and raising standards" after 1961 and the implementation of the general and specific policies of the 3d Plenary Session of the 11th CPC Central Committee, conformed to the historical conditions at the time and played a positive role. However, this system has also had some defects not easily overcome, such as that no distinction is made between the functions of the party and those of the government and no clear responsibility is defined. Comrade Deng Xiaoping pointed out in 1980 that long-term practice has proved that such a factory management system is conducive neither to the modernization of the factory management system and the modernization of industrial management structure nor to the improvement of the work of party committees in factories. With the gradual shift of the focus of the work of the party and the state, the putting forward of the general tasks and general goals of the party for the new historical period, and the overall and further development of the reform of the economic structure, this system has become less and less in conformity with the new situation and thus should be reformed.

The experiments and practices carried out over the past 2 years show that the implementation of the factory director responsibility system conforms to the demands of the modernization of the enterprise management system and has a correct direction. At present, the number of enterprises selected for experimentation across the country exceeds 27,000. Although the work of experimentation has met with a lot of difficulties and experienced twists and turns, most of the units, after the trial implementation of the factory director responsibility system, have intensified their production and management systems and taken on a new look of efficient leadership, quick decision-making, and a high degree of efficiency in work, which has greatly pushed forward the development of production, increased economic results, and demonstrated the strong vitality of the factory director responsibility system.

II. Factory Directors Are in a Central Position in the Enterprises and Should Play a Central Role

The identity and responsibility of the factory director of an enterprise determine the factory director's position and the role the factory director should play in the enterprise. After separating the functions of the government from those of the enterprises and the ownership of enterprises from the rights in their operation, enterprises will truly become relatively independent socialist commodity manufacturers and dealers with full authority for management and responsibility for profits and losses. Factory directors thus serve as both administrative heads of enterprises and their representatives as legal persons. This means that in matters of economic interests, factory directors have to be answerable to the state and to their enterprises and employees. According to the principle of combining responsibilities of factory directors with their rights, factory directors will certainly assume overall responsibility for production, management, and administration in enterprises. Since enterprises are economic organizations, their central task is to carry out well production and operation, and all the work of the enterprises is carried out around this central task and aimed at serving this central task. Therefore, factory directors are in the central position in enterprises and should play a central role.

That factory directors are responsible for production and management means that factory directors ought to have full authority in making management decisions, directing production, and choosing their assistants. The right to direct production, as far as the system is concerned, is assumed by the factory director under any leadership structure. Who exercises the right of making management decisions is essential to the nature of the enterprise leadership system. That factory directors exercise such a right is an important indicator of the factory director responsibility system and is where the advantage of the new system lies. The factory director responsibility system has made it possible to overcome the old system's drawback of separating decisionmaking power from the right to direct production, thus contributing to the establishment of a strict responsibility system, intensifying centralized and unified leadership and management, and improving job efficiency. The right of factory directors to choose their assistants is a major component of the decisionmaking power. This right is of special importance. Under the new system, factory directors can appoint deputy directors and section chiefs in light of actual need, thus solving the problem caused by the separation of management rights from the rights of personnel appointment. That factory directors have the right to appoint qualified personnel in light of actual need is an important organizational guarantee for strengthening the production and management leadership system and successfully implementing the factory director responsibility system. That factory directors have the right to control administrative cadres according to the party's cadre policy also embodies the principle of the party controlling cadres. Of course, when appointing cadres, factory directors should listen to the views of all sides and frequently consult the party committees of the enterprises so as to reduce and prevent as many setbacks as possible and to ensure the correct use of personnel.

III. The Purpose of Implementing the Factory Director Responsibility System Is Also To Improve and Strengthen the Party's Leadership Over Enterprises

Along with the change from the system of directors being responsible for production and management only under the leadership of the party committee to the factory director responsibility system, the position, functions, and responsibilities of the party committees of enterprises will change accordingly. The unified leadership of the party committees of enterprises over production and management will be changed to guaranteeing and supervision. The party committees of enterprises will no longer make decisions on major questions concerning production and management and will no longer be the core of the centralized leadership of enterprises. However, these changes will not at all weaken or negate the party's leadership over enterprises, but, on the contrary, will further improve and strengthen the party's leadership over enterprises.

In his report to the 12th CPC National Congress, Comrade Hu Yaobang pointed out: "The party is not an organ of power which issues orders to the people, nor is it an administrative or production organization." "The party leadership is mainly political and ideological leadership in matters of principle and policy.... The party leadership should not be equated with administrative work and the direction of production by government organizations and enterprises." The party leadership is an overall concept and the party's leadership over enterprises is realized through various channels and forms. So we cannot simply think that the party's leadership over enterprises is just the leadership of the party committees of enterprises. Does it embody the party leadership when the factory directors carry out the party and state general and specific policies, the state laws, rules, regulations, and plans and the decisions, instructions, and orders of the responsible higher authorities and so on? In the past, the party committees of enterprises first decided the measures and plans concerning the implementation of these general and specific policies and state plans and then the factory directors would organize the work of implementation. After implementing the factory director responsibility system, the factory director will be directly responsible for making decisions and organizing the work of implementation, so that responsibility will be clearly defined and the general and specific policies of the party and the state and the state plans will be more effectively implemented. Therefore, the implementation of the factory director responsibility system will certainly not hinder the party from continuing to exercise its leadership over enterprises through various channels and forms, but, on the contrary, will make such leadership more effective.

The implementation of the factory director responsibility system will make it possible to institutionally solve the long-standing problems in enterprises, such as no distinct definition being made between the functions of the party and the responsibility of the government, the party acting in the capacity of the government, and "the party committee not taking care of party affairs," so as to extricate the party committees of enterprises from busy administrative affairs and shift the focus of their work to guaranteeing and supervising the implementation of the general and specific policies of the party and the state, strengthening the party's ideological and organizational construction doing a good job in ideological and political work, and so on, thus ideologically and politically giving more play to the role of party leadership. This also strengthens the party's leadership over enterprises.

That socialist enterprises must stick to party leadership is our consistent principle. However, under the new historical conditions, in order to stick to party leadership, we must improve party leadership. In order to meet the needs of the reform of the leadership structure of enterprises and further develop the role of party organizations in enterprises, we need to greatly transform the ideological concepts, work style, work methods, and work habits of the party committees of enterprises. First of all, we should realize a great transformation of the ideological concepts of the party committees of enterprises. Only by realizing a transformation of ideological concepts will we be able to realize transformations in other aspects. We must see that the separation of the functions and responsibilities of the party from those of the government is also an important link in the reform of the political structure. The reason the party leadership is powerful is that the party relies on truth, the party's correct line, the party's correct general and specific policies, the party's powerful ideological and political work, and the development of the role of the party organizations as a fighting force and the exemplary vanguard role of the party members, not on the party acting in the capacity of the government and exercising administrative power.

IV. While Implementing the Factory Director Responsibility System, It Is Necessary To Strengthen Democratic Management

Strengthening the democratic management of enterprises and guaranteeing the master's position of workers in enterprises are the basic characteristics indicating the difference between socialist enterprises and capitalist enterprises and are the basic demands of the establishment of the socialist enterprise leadership structure with Chinese characteristics. While instituting the factory director responsibility system, we must improve the workers' congress system and other democratic management systems so that trade unions and workers have a say in examining major policy decisions, overseeing the leadership, and protecting their own legitimate rights and interests. Only by integrating the directors' centralized direction of production and management with the workers' democratic management can we realize the unity between a high degree of centralism and a high degree of democracy.

The staff and workers of the socialist enterprises under the system of ownership by the whole people are not only the masters of the country but also the masters of the enterprises. Whether the management and operation of enterprises are well carried out and whether better economic results and social benefits are attained have a bearing on the overall interests of the country and the immediate interests of the staff and workers of enterprises. Therefore, participation in democratic management is not only a right but also a responsibility of the staff and workers.

Because the broad masses of workers are directly involved in the production and operation activities of enterprises, they have rich practical experiences and are well aware of the situation concerning the production and operation of enterprises. Along with the development of science and technology, changes are gradually taking place in the division of mental and manual labor and between production labor and administrative labor and in the distinction between these different kinds of labor, and the quality of the ranks of staff and workers is gradually improving, so that enterprises are now urgently demanding a democratic management system and the role of democratic management is becoming more and more powerful. This shows that staff and workers' participation in democratic management is also the objective demand of the development of social productive forces.

The strengthening of democratic management is conducive to the correct leadership of factory directors. While instituting the factory director responsibility system, we should not weaken the democratic management of staff and workers, but, on the contrary, should greatly strengthen the democratic management of staff and workers. After implementing the factory director responsibility system and expanding the decisionmaking power of enterprises, the nature of the socialist enterprises under the system of ownership by the whole people has not been changed, nor have the masters' position of staff and workers and the public servants' position of factory directors. The only change is that greater power and heavier responsibility have been given to enterprises and directors, and whether the management and operation of enterprises are well carried out is more closely linked with the immediate interests of the staff and workers. As a result, the strengthening of democratic management of enterprises has become the common and urgent demand of both the directors and the staff and workers. Both the implementation of the factory director responsibility system and staff and workers' participation in democratic management aim at running well the socialist enterprises and developing the social productive forces. The only way to run well the socialist enterprises with Chinese characteristics is to organically integrate the factory director responsibility system with the democratic management of staff and workers.

V. In Order To Institute the Factory Director Responsibility System, It Is Necessary To Improve the Quality and Work of Factory Directors

The implementation of the factory director responsibility system will put forward higher requirements for the quality of factory directors. Factory directors will be required to have a strong dedication to the revolution and a pioneering spirit of daring to carry out reforms and bring forth new ideas, to be proficient in production and management, to be honest in performing their official duties, to maintain close links with the masses, to have a democratic work style, to stick to the socialist orientation in enterprise operation, and to continue to open up new prospects for the production and operation of enterprises. In the experimental enterprises, a batch of good factory directors with the above-mentioned fine qualities has emerged, but there are also quite a few factory directors who still fall far short of the above-mentioned requirements. So factory directors must study hard and assiduously so as to gradually become qualified directors. The leaders at various levels must strengthen the training and education of factory directors and stick to and improve the factory director examination system. We must select and appoint excellent cadres who can play a central role as factory directors. Without such factory directors, there will be no real factory director responsibility system.

The implementation of the factory director responsibility system has also put forward higher requirements for the work of factory directors, so that factory directors must consciously and conscientiously improve their own work style and work methods. Factory directors should not only stick to the reform and dare to advance forward by bringing forth new ideas, but should also be more modest and prudent, rely on the party and the masses, listen to the views of all sides, and consciously accept the supervision of the party and the masses. That factory directors have decisionmaking power in the management of enterprises does not mean that factory directors can act according to their own free will. Only by fully developing democracy and drawing on the wisdom of all sides can factory directors make correct decisions. The major questions concerning the production and management of enterprises must be first collectively discussed by the management committees of enterprises and then decided upon by factory directors. As organizations assisting factory directors in making decisions, the management committees of enterprises are participated in by people of all sides in the enterprises. So long as the management committees of enterprises can fully play their role, they will be able to organically integrate the leading role of factory directors in making decisions, the brain trust role of experts, the guaranteeing and supervisory role of the party committees, and the role of democratic management of staff and workers so as to draw on collective wisdom and absorb all useful ideas and make correct decisions. The factory director tenurial task responsibility system defines the task of a factory director during his term of office and organically integrates the tenure system with the responsibility system, the examination system, and the system of rewards and penalties. The factory director tenurial task responsibility system is conducive to improving the quality and work quality of factory directors and shows the further perfection of the factory director responsibility system and thus should be widely implemented.

In order to improve the work of factory directors and bring into full play the role of factory directors, it is also necessary to rely on the supervision, support, and cooperation of all sides both inside and outside enterprises. As far as the present situation is concerned, although it has been clearly defined that factory directors should first of all be responsible to the state, some factory directors easily turn to thinking only about the present interests of the enterprises and the staff and workers, for various subjective and objective reasons. So, it is necessary to adopt a series of practical measures to strengthen the supervision over factory directors, including the supervision by the party organizations and the supervision by the staff and workers inside enterprises and the supervision by the relevant state organs outside enterprises. While strengthening the supervision over factory directors, the party committees, the workers' congresses, the trade unions, and the CYL branches of the enterprises must give unreserved support to factory directors in exercising their powers. The party committees of enterprises in particular are the key to developing the role of factory directors and implementing the factory director responsibility system. The so-called smoothing out of the relations among the party, the government, and the enterprise means that with the stress on production and management, all three sides share out the work and coordinate with one another, support one another, and closely cooperate with one another within the limits of their own functions in order to accomplish the task of the factory director during his term of office. The leading organs at various levels and the party committees, trade unions, workers' congresses, and so on in enterprises should actively support those factory directors who dare to bring forth new ideas and carry out reforms and should warmly help them correct the mistakes and deviations in their reform practice and work, encourage and support them in doing a good job in production and reform, accelerate the reform in all fields, clear away various kinds of obstacles, and prepare good external conditions for the implementation of the factory director responsibility system. The implementation of the factory director responsibility system can only solve the problem that no one assumes responsibility for the enterprises. Only when enterprises have got the necessary decisionmaking power and vitality will we be able to solve the problem that enterprises have no right, no method, and no capacity to assume responsibility for their own production and operation. The present situation shows that many of the decisionmaking powers delegated to enterprises by the state have not yet been realized and various sides are still apportioning various expenses to enterprises. Not solving these problems will certainly affect the further perfection of the factory director responsibility system and the full development of the role of factory directors.

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CSO: 4004/64

IT IS IMPERATIVE TO CUT DOWN EXPENSES

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 13-15

[Article by Jing Ping [2529 1627]]

[Text] To carry out reform of the economic structure, we need a comparatively relaxed economic and social environment. An important condition for creating a relaxed economic environment is that revenue should exceed expenditure or both be basically in balance. This is because many measures for reform should have financial backing. If the financial situation is not good, many good measures for reform cannot be adopted.

The national economic situation was good in the first half of this year. A bumper harvest was reaped in summer grain and oil production, and industrial production registered an increase of 4.9 percent over the same period last year. But revenue did not increase much compared with the same period last year, while expenditure grew very fast. A root cause for this is that after the rapid development of the national economy in the past few years, expenditure was based on an expectation that the economy would develop at a high speed and revenue would increase by a big margin. This year, although the growth rates of the economy and revenue have fallen, that of expenditure has not. This situation merits our serious attention.

Ensuring a balance between revenue and expenditure and striving for revenue to exceed expenditure is a requirement of our economic development and political stability. It is also where the fundamental interests of our state and people lie. Therefore, it is necessary to adopt a very resolute attitude and powerful measures to increase revenue and cut down expenses.

The key to increasing revenue is to further promote production and circulation, to firmly grasp the work of making up deficits and increasing surpluses, and to vigorously increase economic returns. It is necessary to further do a good job of readjusting the product mix, vigorously develop lateral economic ties, and organize production according to market demands, so as to increase the production of marketable products, reduce overstocking of products, and speed up the circulation of funds. All enterprises are required to improve their management and, on the premise of improving the quality of products, make great efforts to reduce production costs and increase economic returns. It is necessary to strengthen tax collecting work on the basis of increasing the revenue of enterprises so as to improve our financial situation.

Under the condition that our economy cannot be developed at the same high speed as last year, cutting down expenses has an especially important significance. All levels, from central to local authorities, should reexamine their budgets and keep their expenditure within the limits of income so as to cut down expenses. They must cut out all unnecessary expenses rather than spending money extravagantly. We always encourage people to lead an industrious and frugal life even if they are very rich, not to mention that we are still very poor today. We must make all party members, all cadres, and all the people understand this basic fact and encourage them to establish a firm idea of building up the country and doing all business through thrift and hard work. Being thrifty and industrious is a virtue. It cannot be regarded as being "conservative" and "mean" and be eradicated as an old idea. It is necessary to carry out education among the people throughout the country in saving every single coin for the modernization drive. At present, some people think that our country is already rich and that they can seek ease and comfort and spend money extravagantly at will. It is unrealistic for them to think and act in this way.

In order to cut down expenses, it is first necessary to control the scope of investment in fixed assets, including capital construction and technical transformation, in accordance with state planning. It is also necessary to stop the development of the trend of excessive investment in extrabudgetary fixed assets. The investment in technical transformation should chiefly be aimed at renewing technological equipment rather than extending projects. Since the scope of capital construction has been controlled, some localities have tried to practice fraud and described capital construction projects as technical transformation in order to make the investment. This is a violation of financial discipline and should be resolutely checked.

Another major task for cutting down expenses is to control group purchasing and reduce administrative funds. All localities and departments must exercise strict control over the increase in the numbers of organizations and personnel and group purchasing.

At present, there is a trend of violent increase in group purchasing power. In the first quarter of this year, group purchasing power in the whole nation increased by 5.4 percent over the same period last year; and in April, it registered an increase of 7.8 percent. Some units, whose original budget expenditures were already a bit high, have still needed to make supplementary budgets. This shows that some units have lost control of their expenditures. They are not considering how to reduce their budgets but how to supplement their budgets. They are using their money extravagantly and are ready to ask the state for help when they have used up their money. In some places, there has also appeared the phenomenon of wantonly wasting money, such as indiscriminately giving out bonuses in kind and traveling at public expense. In some places, since the measures for controlling the purchasing power of social groups and controlling nonproductive expenditure are ineffective, there are many loopholes in this respect. At present, some people are violating financial discipline under the signboard of "extending decision-making power." This merits our greater attention. Decisionmaking power should certainly be appropriately extended. However, this should be done within the range of permissibility of relevant laws and regulations. In order to cut down expenses, we must rely on the consciousness of people and discipline. Discipline, including financial discipline, should be enhanced along with the development of reform, opening up, and enlivening the economy. The achievements of our national financial and tax examination and party rectification last year should be reflected in our efforts to increase revenue and cut down expenses this year, as well as in our financial work as a whole.

Now the first half of the year has passed. In the second half of the year, we must tighten up our money bag a little bit. It is not yet too late to start doing so at present. But if we start in the fourth quarter, there will be great difficulties for our work.

Financial affairs have a bearing on the total situation, and this should never be treated lightly. It is everybody's duty to save money. This must be grasped firmly in an all-round way.

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CSO: 4004/64

ENERGETICALLY INCREASE THE OUTPUT OF SMALL COMMODITIES

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 14-17

[Article by Sun Dejun [1327 1795 0689]]

[Text] Fully Understand the Place and Role of Small Commodities

So-called small commodities are now still without a scientific definition and a standard of distinction. They generally refer to industrial products relatively small in volume, relatively cheap in value and relatively unprofitable, which are used by people in everyday life. Small commodities, though tiny-sized, are in great variety and are closely related to the life of the masses of people. According to statistics, small commodities account for more than 10 percent of total retail sales of social commodities, and their patterns and varieties being numerous. Especially given the large population in our country, various nationalities and different customs and habits, the need for consumer goods greatly vary. With the proper handling of the production and supply of small commodities, shops can have an eye-dazzling array of displays bringing joy and satisfaction to the masses. Given a drop in production, a reduction in variety, a constant interruption in the supply of many commodities and tight market supplies, normal work and routines will suffer and the masses will complain. It can be seen that though seemingly "small," small commodities do not play a small role.

Many small commodities are exported in bulk. Increased production of small commodities can earn more foreign exchange for the state. Judging from a lot of available data, not a small number of small commodities are well received on the international market and enjoy a relatively great reputation. They are relatively competitive and are relatively good earners of foreign exchange. Take 1985 for example. The export value of our country's hardware products reached more than $400 million; garments and shoes, $1.23 billion; miscellaneous articles of everyday use, $179 million; and bamboo, rattan, palm fiber, grass, wicker and herbaceous plant products, $190 million. Some enterprises producing small commodities not only shoulder a heavy task of satisfying domestic market needs but are also important export bases. The Shanghai Metal Products Factory is an outstanding typical case in point. This factory chiefly produces "goose brand" pins, "vigilant lion brand" buckles of two kinds, and other small commodities. In 1985, its export output value reached 11 million yuan. Its products sell well in more than 50 countries and regions, including Japan, Britain, Canada, Australia, the Middle East, and so forth, with more than $3.5 million in foreign exchange generated. Guangdong is a traditional small commodity-producing area. The "tiger head brand" flashlights produced by Guangzhou city are a traditionally well-known brand with production first started in 1921. For several decades, with their complete set of patterns and specifications, their attractive appearance, their compact structure, their maintained standard of quality, and their other strong points, these flashlights have enjoyed a good reputation among the masses of consumers and a great demand throughout the country. Their sales have extended to as far away as 86 countries and regions on the five big continents. From 1978 to 1984, they earned $12 million in foreign exchange for the state every year, and $16.6 million in the peak year. Similar cases are many among enterprises producing small commodities. There is great potential for export in many existing enterprises. So long as proper arrangements are made, it is entirely possible to further increase production, expand exports and generate more foreign exchange for the state.

The development of the production of small commodities also helps in providing employment for labor. Small commodities are mostly labor-intensive products. Relevant production skills are not too complicated. Production can be carried out in a simple and thrifty way with the use of old equipment and odds and ends. The development of collective enterprises and individually operated handicraft industry fits in well with the production of small commodities. The development of the production of small commodities calls for the spending of little money, but with much done. It can serve to increase production and provide more employment. It is really a case of killing several birds with one stone.

Since small commodities are so important, we should put the production and handling of small commodities in their proper place showing the spirit of being highly responsible to the state and the people. But an unusual phenomenon has appeared in recent years: a drop in national production of small commodities and a reduction in variety, and many commodities in short supply or unavailable. Such a situation has brought the masses great inconvenience in life. It has also produced ill effects on the export business. This should arouse sufficient attention on our part. A drop in the production of small commodities and a reduction in variety are, in some cases, attributable to rational elimination. But in most cases, a reduction in variety is unjustified. The causes of a reduction are many-sided. One main cause is lack of attention in the ideological field and failure to make proper arrangements in work. The other causative factors are: Failure to put arrangements for raw materials on a solid basis, with a shortfall in supplies and an interruption in the smooth flow of required supplies, thus affecting production; failure to liberalize the prices of products according to stipulated state regulations, thus dampening the enthusiasm of production and operating enterprises; correct guiding ideas being insufficiently understood by production and operating enterprises, which are unwilling to produce or handle small commodities because of their low value, the small margin of profit and the trouble involved; and so on and so forth. These problems must arouse adequate attention. Effective measures must be taken to seek a solution.

Resolutely Liberalize the Prices of Small Commodities

The prices of small commodities in our country have for a long period of time not been put in proper order. The prices of many products are in sharp contrast with their actual value. Since the liberalization of the prices of certain means of production, contradictions have been especially prominent, seriously dampening the enthusiasm for the production and handling of small commodities. Therefore, to liberalize the prices of small commodities and let production enterprises set prices and the market be a regulating factor has become an important measure to stimulate the production of small commodities and improve the market supply situation. Liberalizing the prices of small commodities is an important reform involving a wide area and having much to do with policy. We must raise awareness and unify thinking. The liberalization of the prices of small commodities is a guideline made clear long ago. In the past few years, the prices of many small commodities have been successively liberalized in separate groups. But the range involved is still small falling short of the demand for further developing the production of small commodities and the enlivening of the circulation of small commodities. Due to the influence of the price index guiding prices, the prices of products in certain areas required by the state to be liberalized have not been completely liberalized. Where the prices of small commodities have been liberalized, there also exists the problem of "declared liberalization unaccompanied by action," or "enforced liberalization not followed by liveliness." In some areas, the price-setting power has been entrusted to enterprises, but without any reform in price-setting methods. It is basically still a case of approaching small commodities with the methods applied to the handling of the prices of large commodities. Practice shows that in areas where the prices of small commodities have really been liberalized, prices fluctuate, some higher and some lower. Declines outnumber advances. Prices, generally speaking, are stable. There is not the phenomenon of a universal rise in prices. Still less is a greatly increased burden put on the masses of people. Therefore, excessive worries and doubts are uncalled for.

As far as industrial production and commercial operations are concerned, given the power to make flexible price readjustments in line with the supply and demand situation, enterprises can quickly lower the prices of those products that move slowly and develop a market for them. A proper readjustment upward of those products that have long been money-losers helps in restoring and developing production. In developing new products, there is no need to have prices studied and cleared at every level. They can be set very quickly with production organized and products put on the market in good time. For some small commodities, the rational readjustment of differences in prices between areas and differences between wholesale and retail prices can arouse the enthusiasm for the operation of commercial enterprises and stimulate circulation. Seriously studying and summing up these experiences helps greatly in raising awareness, unifying thinking and strengthening confidence.

To liberalize the prices of small commodities is to let enterprises set prices and the market be a regulating factor under the guidance of state policy. The setting of prices by enterprises differs from the fixing of prices by the state in a unified manner and from the liberalization of prices in trading at fairs. It is relatively flexible pricing done under the guidance of state policies and plans. In line with the state's commodity price policy and with changes in production costs and in demand and supply, prices are allowed to fluctuate in a flexible manner with timely readjustments made. Under normal production and rational operation conditions, the prices quoted for small commodities by factories should give enterprises a rational profit margin. The profit margin should generally be higher than that for large commodities in order to arouse enterprises' enthusiasm for the production of small commodities. As for quality products and traditional products, we must really introduce good prices for good quality and encourage enterprises to select choice materials and put in good workmanship. This is to ensure quality and maintain and develop a product's features. As to new varieties and patterns well received by the masses, the prices can be set higher when they are first put on the market, in order to stimulate production on a larger scale and brisk sales. Concerning those small commodities needed to suit special needs and confined to a narrow market, commercial price differences can be bigger in order to maintain given varieties and industrial profits. Price differences in small commodities between areas and between town and country and differences between wholesale and retail prices should be more liberalized and more flexible than in the case of large commodities. This is to suit the features of small commodities, with their numerous varieties, their trade in rather small quantities, and their low unit prices, in order to facilitate the expansion of operations.

To liberalize the prices of small commodities, using the market as a regulating factor and letting enterprises set prices has become an important step in the reform of the commodity price control system. Apart from delegating price-setting power, we must formulate price-setting principles that suit the features of small commodities, policies on price differences, methods for setting prices, and management systems, and change the situation in which the prices for small commodities are controlled like those of large commodities.

We Must Have a Firm Position in Producing Small Commodities

For many years, both positive and negative experiences have shown that an unstable position in producing small commodities, from the angle of the leadership and relevant plans, is mainly a problem of arrangement. Small commodities being what they are, if not improperly arranged for, can easily give rise to the problem of value being set by the big commodities and belittling of small and letting the big exclude the small. Therefore, apart from liberalizing the prices of small commodities and using the law of value to regulate demand and supply in production, we must give full play to the role of plans as a regulating factor and make necessary administrative intervention. With the gradual establishment of our country's new socialist economic system, state control over enterprises will gradually shift in emphasis from direct control to indirect control. Economic means will be chiefly used. Administrative means will also be adapted to and regulate the operation of the economy. The production and handling of small commodities undoubtedly should proceed in this direction. But in the present period of the new system taking the place of the old, how to straighten out the relations among production, supply, sales, and pricing and make appropriate arrangements is an important factor bearing on the consolidation and expansion of the position of small commodities and guaranteed sustained development of the production of small commodities. After the liberalization of the prices of small commodities and the introduction of the market as a regulating factor, we can by no means leave alone arrangements for production, the supply of raw materials, and the handling of products without any interference. We should instead put things on the orbit of planning, make overall arrangements with all factors considered, or rational arrangements, so that they can have a proper place in plans at various levels and register as "entitled households" to qualify for "grain coupons," with proper channels created for the regular supply of raw materials needed for the production of small commodities. This is because: 1) The raw materials required for the production of small commodities are relatively large in quantity. Moreover, quite a large portion of them are materials subject to unified distribution by the state. For example, given no allotment of rolled steel, timber, copper, aluminum, lead, zinc, gold, silver, and so forth, with sole reliance on enterprises and departments in charge to seek solutions through self-adjustment and coordination, production can hardly be guaranteed. 2) Due to a changed situation, the channels established before for the supply of raw materials for small commodities have in some cases been cut off and new channels have yet to be fully established. For example, leftover bits and pieces and discarded rolled steel of state industrial and mining enterprises were required, as clearly stipulated by the state in the 1950's, to be handed over to industries for their use. Now, many industrial and mining enterprises have put most of these odds and ends to use themselves, and their supply has become increasingly scarce with a deterioration in quality and an ever greater increase in price. 3) Small commodities involve low value and a slender margin of profit and do not lend themselves to negotiated prices.

At present, for the supply of raw materials for the production of small commodities, the old methods from the period of handicraft producers' cooperatives are still being used. They are extremely incompatible with the proper handling of the production of small commodities. First, there is no regular channel of supply, with resources scattered and concentrated use made impossible. Second, the raw materials allotted for small commodities display no favoritism and lend themselves to being possessed or appropriated. Third, those in charge of production do not bother about raw materials and those in charge of raw materials do not bother about production. Production and the supply of raw materials are not in coordination. If such methods are not changed, the production of small commodities can hardly be developed.

Small commodities have such features as great variety, complicated specifications, constant upgrading, relatively scattered production, and relatively quick changes in supply and demand. They depend on various components of the economy, various ways of operation, and various channels of circulation in organizing production and circulation. What our country practices is a planned commodity economy. For small commodities we must achieve the aim of not only combining liberalization with liveliness, but also combining liveliness with the absence of chaos, not only bringing about strengthened management but also refraining from controlling things in a rigid way. We must boldly reform old methods and systems restraining the development of the production of small commodities and consider the coordination and combination of things that are indirectly related. Therefore, for the production of small commodities, we must make proper overall arrangements and adopt the guideline of all the people, the collective, and the individual getting ahead together. For some small commodities, production techniques and technologies are relatively complicated. There is a relatively big social demand for them. They also fit the pattern of concentrated social modern mass production. Such small commodities should be handled by state and collective enterprises. Those small commodities involving locally available raw materials, local sales, production in a scattered way, and relatively simple technology can be left for the masses to handle without any restraints. This is likely to produce better results.

An enterprise's capacity for self-transformation and self-development has a great effect on the production of small commodities. Those enterprises producing small commodities are mostly small and collective enterprises. These enterprises have for a long period of time been provided with simple housing, outdated equipment, limited funds, and poor labor conditions. This is a very unfavorable factor in stabilizing the ranks of workers and developing production. For these enterprises, we should follow a policy of support in regard to funds, taxation, and credit, and add to their reserve strength, so that they can have the capacity for self-transformation and self-development. Concerning funds needed for upgrading equipment, carrying out technical transformation, stockpiling raw materials, and storage of finished products, we should grant low interest loans and give preferential treatment. Regarding loan funds needed for upgrading equipment and technical transformation, we should allow repayment out of profits realized with newly added production capacity before taxes and grant tax reduction or exemption according to fixed rules if difficulties are encountered in paying taxes.

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CSO: 4004/64

THE QUESTION OF LABOR PRODUCTIVITY IN MODERN CONSTRUCTION

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 18-23

[Article by Zong Han [1350 1383]]

[Text]

I

Lenin pointed out: "In the final analysis, labor productivity is the major and most important thing to ensure the victory of the new social system." This is a famous remark full of vitality.

The Chinese population makes up more than one-fifth of the world population. In principle, in the next several decades, there will be no such problem as being short of manpower. For this reason, some comrades hold that there is no need to emphasize the question of raising labor productivity in our country. I do not agree with this opinion. It is true that China's national situation is different from other countries and it has its own characteristics in the course of raising labor productivity. However, we should not neglect the matter of raising labor productivity because of this. On the contrary, since China's economy is backward and has a poor base, in order to change the backward situation and build our country into a powerful socialist country as quickly as possible, we should attach great importance to raising labor productivity.

Labor productivity is the ratio between the quantity of products created by the laborers and the work they have put in to creating these products. It is indicated by the average quantity of products produced by a laborer within a specific period of time. To make the comparison between laborers producing different products more convenient, the quantity of products can also be indicated by the output value. Despite various different opinions on the calculation of labor productivity, raising labor productivity means producing more products with the same amount of labor, or producing the same amount of products with less labor. There is no doubt about this. Suppose there are 10,000 laborers and the labor productivity is 10,000 yuan, the gross annual output value will be 100 million yuan. If the number of laborers remains unchanged, and the labor productivity is increasing at an average annual rate of 2 percent, then the gross annual output value 10 years later will be 120 million yuan, and 50 years later, 270 million yuan. If the labor productivity is increasing at an average rate of 10 percent, the gross annual output values will respectively reach 160 million and 1,170 million yuan. In other words, 10 years later, the wealth created by the higher labor productivity each year will be 130 percent higher than that produced by the lower labor productivity, and 50 years later, the percentage will be 220. If calculated according to the cumulative total of wealth created, the wealth created by the higher productivity 10 years later will be 60 percent higher and that created 50 years later will be 130 percent higher than the lower productivity. The longer the period, the easier it will be to gauge the role of raising labor productivity. With different labor productivity, the ratios between the work put in and the products made will also be different, and the time for producing the same amount of products will also differ. Again using the above example: Suppose the gross annual output value is to be increased from 100 million to 5,000 million yuan, if the labor productivity is growing at a rate of 2 percent, it needs 35 years to attain this goal; if the rate is 10 percent, it needs 18 years to attain the goal; but if the rate is 20 percent, it only needs 12 years. From this we can see that raising labor productivity is very important.

The Chinese revolution succeeded under the condition of undeveloped productive forces. Due to the backward production relations and extremely low labor productivity of old China, we lost much time and lagged behind other countries. Since the founding of new China, owing to the industrious labor of our people, we have greatly enhanced our material base. But both in production technology and the per capita output of products, we still have a long way to go compared with the developed industrial countries. In the final analysis, the reason our country is backward is that our labor productivity is low. According to an initial calculation, the labor productivity of China's engineering industry is only about one-twelfth that of the United States and one-eleventh that of Japan; the labor productivity of its iron and steel industry is about one-half that of the United States and one-twenty-fifth that of Japan; and the labor productivity of its electronics industry is one-eighteenth that of the United States and one-thirteenth that of Japan. The labor productivity of agriculture is even lower. Therefore, in order to change the backward economic situation, we must not merely increase substantial investment. What is more important is to increase the growth rate of labor productivity. If we do not "have a much higher labor productivity," as Lenin required, we will be unable to become rich and powerful quickly and narrow the gap between us and the developed countries; we will be unable to produce more products to satisfy the increasing needs of the people in their material and cultural life; and we will be unable to fully exploit the advantages of the socialist system.

The history of socialist development tells us that labor productivity is a symbol and a motive force of the development of social productive forces. It promotes the productive forces to develop from a lower to a higher stage and on this basis, promotes production relations to develop from a lower to a higher form. The reason the feudalist system was able to defeat the slavery system is that the former had a higher labor productivity; and the reason the capitalist system was able to defeat feudalist system is also that it had a higher labor productivity. During the industrial revolution, since machines were invented and used, the labor productivity of England was higher than that of other countries. Its industrial production was once the most advanced in the world and its total industrial output value accounted for half of the world's total output value. Germany, France, and the United States, which started later in industrial development, had a lower labor productivity and lagged far behind. In 1820, the industrial output value of the United States was still about 10 percent of that of the capitalist world, and that of Japan was only about 2 percent even to the year 1920. But changes took place later. England was overtaken by the United States and Japan. The main reason is that the two countries achieved great progress in technological development and had a higher labor productivity, while England stagnated in technological development and economic returns. The contention in the contemporary world is chiefly the contention in the fields of technology and personnel, which is finally expressed by the contention in labor productivity. Those with higher labor productivity and advanced science and technology will develop faster than others, or vice versa.

Low labor productivity is our weak point. However, we have a good socialist system and millions upon millions of industrious and wise laborers who are masters of their own houses. This is our advantage. Over the past 30 years or so, by giving play to this advantage, we have raised our labor productivity and enhanced our political and economic positions in the world. Many of our products are among the finest in the world. If we had not suffered interference from the "leftist" ideology, our labor productivity would have become even higher and our economic strength greater. Now that we have eliminated the "leftist" interference and the whole country is on the road of healthy development, our labor productivity will surely be raised at a faster pace.

We should realize that raising labor productivity will not only help increase our social wealth, but will also play an important role in reducing consumption and raising economic returns. A direct result of raising labor productivity is the smaller consumption of living labor. If one person can do the work originally done by two, the economic returns will be doubled; but if two people do the work of one, both wage payment and the consumption of living labor will be doubled. In China, although the proportion of wage cost in the total cost is not high, its absolute value is fairly large. An increase or decrease in labor productivity by 1 percent may effect more than 10 billion yuan of output value and more than 1 billion yuan of wage cost. In this regard, our enterprises have great potentials at present. When these potentials are tapped, they will be turned into economic returns. Raising labor productivity is also conducive to reducing the consumption of materialized labor. Although in order to do so, it is usually necessary to increase investment in fixed assets, which will enlarge the organic part of funds and increase the relative cost of per unit production, this increase can bring about technological progress, shorten the time of production, increase the utilization rate of equipment and factory buildings, reduce the fixed and partly fixed expenses for producing a certain amount of products (such as charges for electricity, water, and supplementary materials), and avoid unnecessary expenses for ineffective labor and materials. Thus, the consumption of materialized labor calculated on the basis of per unit product can be reduced. Marx pointed out: "Raising labor productivity means: The portion of live labor is reduced, while that of past labor [guo qu lao dong 6665 0637 0525 0520] is increased, resulting in the reduction of the total amount of labor in commodity; thus, the amount of live labor reduced should be greater than that of past labor increased." ("Collected Works of Marx and Engels," Vol 25, p 290) According to investigation, in the machine-building industry, the fixed expenses make up about 30 percent of the cost of products. When labor productivity is raised by 1 percent, the per unit cost can be reduced by 0.2 to 0.3 percent. In the coal industry, as the investment in fixed assets and the area occupied by the pits are often changing with the changes in the number of workers and labor productivity, if one worker is added, the investment will be increased by 8,000 yuan merely for the increased pit and housing areas; but if labor productivity is raised and one worker is out, the investment can be reduced by 8,000 yuan.

The consumption of materialized labor is gradually reduced with the development of technology and the increase of labor productivity. This is a law governing the development of the productive forces in modern society. In the past, adopting new technology and raising labor productivity was chiefly aimed at saving live labor and reducing the intensity of labor. But during this century, people have realized that there are close relations between raw material and energy resources and technical progress. Due to the shortage in raw material and energy resources and the rise in their prices, the purpose of technical progress and raising efficiency has gradually been shifted to saving materialized labor. Over the past 1 or 2 decades, some countries have made marked achievements in this respect. China is a developing socialist country. In the course of promoting the four modernizations, the shortage in materials is more serious than the shortage in manpower. Many products have high consumption but low returns. Therefore, we should pay serious attention to saving materialized labor through raising labor productivity.

Since materialized labor and live labor can be saved and the cost can be reduced through raising labor productivity, surplus labor, which is the source of accumulation, can naturally be increased. When accumulation is turned into expanded reproduction by intension, it can further help raise labor productivity.

II

Labor productivity is determined by many factors. In different countries, the factors affecting labor productivity are also different. In different stages of development in a country, various factors also play different roles. China is a developing socialist country with a large population and a poor economic base and economic development is uneven in various areas. In the course of raising labor productivity, it has its own characteristics, which are different from those of other countries. We must proceed from Chinese realities in raising labor productivity and turn the general law into a concrete one governing the raising of labor productivity in China, so as to work out concrete policies and measures suitable for our national situation. In my opinion, in order to raise labor productivity in our country, the following problems must be solved.

First, it is necessary to firmly grasp the work of promoting and applying science and technology in light of our concrete realities. Science and technology is the most important and decisive factor for raising labor productivity. About 100 years ago, Marx pointed out: "Along with the development of large-scale industry, the creation of real wealth is in fewer cases determined by the time spent and the amount of labor consumed, but is in more cases, determined by the motive force used in the labor period, and the motive force itself--its high efficiency--is not in proportion to the time of direct labor necessary for its generation, but is determined by the development of general science and technology, or determined by the application of science in production." ("Collected Works of Marx and Engels," Vol 46 (Part 2), p 217) The current situation has further proved this. According to a calculation by developed industrial countries, at the beginning of this century, technical progress constituted about 5 to 20 percent of the factors affecting economic growth and the raising of labor productivity. Now, it constitutes about 60 to 80 percent. A main reason for the low productivity in our country is our backward science and technology. Compared with the world's advanced level, the technological level of our main material production departments is about 20 years behind. We have fewer advanced means of labor and are relatively slow in applying the achievements of scientific research in production. If we do not greatly promote the development of science and technology, we will be unable to raise labor productivity by a big margin.

Technical progress is a general concept. In the course of direct production, it is expressed by means of labor, production technique, subject of labor, and the improvement of the production environment and product designs. If these links are well grasped, labor productivity can certainly be raised. In light of China's realities, it is necessary to combine advanced technology with the rationality of the economy and the applicability of production and grasp the main tasks. In various trades and professions, there are different main tasks. But for our country as a whole, the most important task is to grasp well the transformation of the means of labor and production techniques.

The means of labor is related to the time of production, the processing of products, and the quality of products. Only by adopting advanced means of labor can we shorten the course of production, improve product processing, reduce losses caused by low-quality products, reduce consumption, and increase output. Technological equipment and production techniques also determine the product mix, technological level, and the capability of technological renewal. Some products can be made by ordinary equipment or through manual labor, but some cannot. The production of modern products needs good equipment and advanced technology. Only when advanced equipment is used can we ensure the quality and increase the variety of products and can we speed up the renewal of products and improve the product mix. At the same time, it is also necessary to pay attention to improving product design, adopting new subjects of labor, and making a comprehensive use of raw materials and energy resources. In short, both raising the use value products and reducing the value of per unit product mean the raising of labor productivity under the condition of making less investment.

Generally speaking, the measures for technical progress can save both live and materialized labor, but to different extents. Some measures can save both live and materialized labor; some can help raise efficiency and save manpower, but cannot save materialized labor; and some can save materialized labor but cannot help raise efficiency. The basic situation of China is that we are short of material resources rather than human resources. If we say we are short of human resources, we mean that we are short of professional personnel and skillful laborers. Therefore, if there are contradictions between saving live labor and saving materialized labor, we should generally lay stress on the latter; and when there are contradictions between saving ordinary labor and saving complicated labor, we should lay the stress on the latter. While saving physical labor, we must first pay attention to saving the kind of labor under dangerous and adverse circumstances and try to raise its efficiency so that the laborers can be emancipated from backward labor conditions. Materialized labor is a result of live labor. Saving materialized labor means saving past live labor. When the magerialized labor and complicated labor thus saved are thrown into reproduction and used for technical progress, they can help save more live labor.

The low labor productivity of our country is not only expressed by the small quantity of products produced by each laborer, but is also expressed by the inferior quality and irrational product mix. The latter is more important. It often happens that the more advanced the products are and the higher their quality, the lower their outputs and their productivity will be. Therefore, in the development of technology, we must attach particular importance to raising the technical level of our products and improving the product mix through raising labor productivity so as to open up new technological fields and increase the production of the products in short supply. Quality, which also means quantity, is more important to the raising of labor productivity. Fundamentally speaking, if the level of modern products is not raised, we cannot begin to talk about realizing modernization and raising labor productivity of the society.

There are differences between various trades and enterprises in respect of input and output in the course of technical progress, as well as their material basis and objective positions. This determines that there are differences between them in the course of raising labor productivity. Generally speaking, those major departments and trades which concern the overall situation and the long-term development of the national economy should try their best to adopt the most advanced technology and equipment. They should have fewer but better personnel and should pay attention to saving both materialized and live labor. Their labor productivity should reach a higher level. For most departments and trades, it is necessary to adopt applicable technologies which do not have a high level of automation but can help increase economic returns. They should mainly save materialized labor and also pay attention to saving live labor, and their labor productivity should reach a fairly high level. For some departments and trades, which still have to rely on manual labor, their labor productivity cannot but remain at a lower level within a certain period of time. But they must also make efforts to achieve mechanization, renew equipment, and raise labor productivity. Of the three types of departments and trades as mentioned above, the first type, though few in number, occupies an important position and plays an important role. Along with the development of productive forces, the number of these enterprises will gradually increase, while that of the latter two types will gradually decrease.

Second, it is necessary to strengthen management. Modern productive forces are those equipped with modern science and technology. Therefore, in our management, it is necessary to organize, harmonize, and direct productive forces in accordance with the demands of socialist commodity production. Strengthening management means to organize productive forces through readjusting and reforming production relations. Therefore, every link of management can produce an effect on the efficiency of labor. Unlike science and technology, management generally does not demand material input, but it demands mental labor. So, in order to raise labor productivity, it is necessary to attach great importance to management.

Over the past year, as a result of consolidation, the ability of operation and management of our industrial and communication enterprises has been raised. But generally speaking, the level of management is still very low, and there are great potentials in this respect. At present, many enterprises in our country are still used to carrying out management in accordance with past experiences. They pay very little attention to the market, economic returns, efficiency, and scientific policy decisions. Their systems are imperfect and basic work is weak. In short, they are still not on the track of socialist modern management. This situation seriously affects the raising of labor productivity. If this is changed, even if investment is not increased, labor productivity can also be greatly raised.

In order to promote commodity production, it is necessary to study the market and pay attention to raising efficiency, saving time, and comparing input and output. All enterprises must establish reasonable regulations and systems, with raising efficiency and economic returns as the central task and satisfying the needs of the society and the people to the greatest extent as the objective, so that a new socialist management system with distinctive Chinese characteristics can be established through pooling the wisdom of the masses. It is necessary to put an end to the old habits of ignoring efficiency and economic returns and stop all kinds of waste through establishing reasonable systems. Our enterprises are socialist enterprises where the laboring people are masters of their own houses. If our management system is perfect and scientific and conforms to our national situation, the situation of low efficiency in production can be changed very quickly.

While strengthening management of enterprises, it is also necessary to pay attention to strengthening macroeconomic management. To rationally distribute, use, and manage social labor according to objective needs and to ensure that the national economy develops proportionately and in a planned way is a condition for the normal development of the national economy and a prerequisite for raising labor productivity. Distributing and using labor in a proportionate way cannot be realized merely through the efforts of a certain department or enterprise. It is necessary to strenghten macroeconomic management. Ours is a socialist country. The state has the function of exercising management over the national economy. This provides us with a condition for guiding the development of the national economy in accordance with the objective law. However, if we fail to observe the objective law, make wrong policy decisions, and allow our national economy to develop proportionately, labor productivity will also drop or cease increasing. Since liberation, labor productivity of our country has been rising in most years. But there were also several reversals in the past. The first reversal appeared in the period between 1952 and 1962, during which industrial labor productivity was basically kept at 4,000 to 5,000 yuan a year and was only raised by 15 percent. The second reversal appeared in the period between 1964 and 1968, during which labor productivity was 6,000 to 7,000 yuan, and was raised only by 0.4 percent compared with 1963. The third reversal appeared between 1966 and 1977, during which labor productivity was 9,000 to 10,000 yuan. Compared with 1966, labor productivity in 1977 even dropped by 3.4 percent. The fundamental reason for the unsteady and slow increase in labor productivity is that in those periods, the basic proportionate relations of the national economy were not handled well, resulting in a seriously disproportionate development. Under the condition of disproportionate economic relations, the production of less advanced departments can only develop slowly and their labor productivity is usually low; the labor productivity of those departments with a faster pace of development can be raised quickly in a short period, but since it lacks a sound basis for continuous development, this increase cannot be continued and the productivity is sure to drop. Once the productivity drops, it will take a long time to regain the previous level, because it needs to change the disproportionate basic economic relations into proportionate relations, during which losses are almost unavoidable. This is too expensive for us. Therefore, in the construction of modernization, we must try our best to avoid reversals and must pay serious attention to maintaining basic balance in the development of our national economy, so that our labor productivity can be raised steadily.

III

China is rich in labor force. The question of how to handle the relations between raising labor productivity and extending employment merits our study.

We should admit that there exist certain contradictions between raising labor productivity and extending employment. The quantity of labor force needed in material production is determined by two factors: the scope of production and the efficiency of labor. The quantity of labor force is in direct proportion to the scope of production and in inverse proportion to labor productivity. When the scope of production is expanded, if productivity is not raised and there are insufficient labor forces, the development of production will be affected. Conversely, if labor forces increase too fast and the supply of labor forces exceeds the demand, it will also affect the raising of labor productivity. One of the reasons for the slow increase in the low labor productivity in our country is the excessive increase in labor forces. For example, although since the founding of the PRC, our industrial production and industrial fixed assets have rapidly developed, due to the excessive increase in labor force (the number of laborers increased from 12.46 million in 1952 to 60.23 million in 1983, or an increase of 380 percent, and those in heavy industry alone increased by 830 percent), there is more labor than needed in industrial production. Thus, the raising of labor productivity has been seriously affected (it has only been raised by 210 percent).

Apart from directly affecting labor productivity, the excessive increase in the labor force is also harmful to improving management, promoting technical progress, and renewing equipment. In some enterprises, due to the excessive labor, old equipment has not been renewed and manual labor has been preserved, and they have more hands than actually needed. In order to raise labor productivity, it is necessary to distribute the labor force in light of the objective needs and in accordance with the type of work in production, rather than just putting people into the enterprises indiscriminately.

However, the abundance of labor forces is an objective fact in our country. Since our country is a socialist country, we have to take into consideration questions concerning the living and employment of the laborers. The question is whether we can distribute the labor force in accordance with our needs while offering sufficient employment for the numerous new laborers who have just grown up. Practice shows that provided we adopt appropriate policies and make good arrangements, this problem is not difficult to solve. In the past, on the question of labor and employment in the cities, we adopted a policy of "the state takes care of everything." As a result, the problem was not well solved. Many units were assigned excessive labor forces and their labor productivity was affected, while some other units, which should be developed, were not developed due to insufficient labor forces. Since 1980, by adopting the policy of "obtaining employment under the unified guidance of state planning and through three channels: recommended by labor department, getting organized on a voluntary basis, and looking for jobs personally," by encouraging the development of the collective economy, cooperative economy, and individual economy and the development of tertiary industry, and by adopting the labor contract system and various forms of employment system, more channels have been found for extending employment. Both the employment rate and labor productivity have been raised. During the period of the Sixth 5-Year Plan, some 36 million workers waiting for jobs in both cities and countryside obtained employment, and the unemployment rate was reduced from 4.9 percent in 1980 to 1.5 percent in 1985. At the same time, the social labor productivity and the industrial labor productivity were respectively raised by 5.5 and 27.1 percent. The industrial output value that had been increased in this period due to the raising of labor productivity made up about 70 percent of the total of the above quota industrial output value. The previous situation of mainly relying on manpower in developing production was thus changed. Labor productivity has been raised especially quickly in some coastal cities, where there are no more people awaiting jobs. Some of these cities, where there are no more people awaiting jobs. Some of these cities even feel that they are short of labor.

Practice shows that raising labor productivity and extending employment are the unity of opposites. If we understand the question of employment in a narrow sense and do not give consideration to the raising of labor productivity, and if we extend employment blindly and let everybody eat from the same "big pot" of low efficiency, the wealth of our society will be increased very slowly and employment cannot be really extended. On the contrary, if we give due consideration to the raising of labor productivity and make our employment policy and the increase of labor force conform to the objective needs, we will be able to accelerate the development of our production, accumulate more funds, and open up more channels for production. Thus, better conditions will be created for extending employment. The first cycle, low efficiency--high employment rate--low efficiency, is full of obstacles, but the second one, which opens up a way for attaining high efficiency--high employment rate--high efficiency, has a bright prospect.

In order to raise labor productivity, a more important matter is to raise the quality of manpower. Manpower is the most positive and active factor in production. This does not chiefly refer to the quantity, but to the quality of laborers. The construction of modernizations has put forth higher demands on the laborers in respect of their consciousness and their scientific, cultural, and technological levels. Only when the quality of laborers is greatly increased can labor productivity be fundamentally raised. The low cultural and technological levels of laborers and the lack of skillful laborers capable of doing complicated mental labor are the major factors affecting our labor productivity. In modern construction, we must regard this matter as a strategic task and grasp it firmly. Only thus can we further raise our labor productivity.

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CSO: 4004/64

SPACE TECHNOLOGY AND ECONOMIC CONSTRUCTION

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 24-28

[Article by Hang Zhongyi [2635 0112 0001]]

[Text] Space technology is a general term for missile technology and the space technology developing symbiotically with it. Spaceflight activities generally refer to the navigational activities of manned or unmanned spacecraft in the space outside the earth's atmosphere. With the development of the scale and standard of space technology, a new space technology industry has gradually appeared. It is very important to treat the space technology industry as a major new industry in China and to conscientiously study strategies for promoting its development.

The Birth and Development of Space Technology

Since ancient times, man has yearned to fly into space and travel in the universe. In ancient China, there was a myth about Lady Chang E flying to the moon, legends about "flying men" and "flying chariots" in "Shan Hai Jin" [The Book of Mountains and Seas] and "Di Huang Shi Ji" [Annals of Emperors], and so on. China was the birthplace of the ancient rocket. As early as in the Song Dynasty, the first gunpowder-propelled rocket in the world was made. During the Yuan and Ming Dynasties, China successfully made a primitive two-stage rocket and also a rocket which could fly in two different directions in two stages. Modern carrier rockets for spaceflight embody epoch-making technological advances, but they resemble the primitive rockets in working according to the same basic principle of jet propulsion. During the 13th century, China's rocketry passed to the Arab countries via India and then to Europe. Between the 17th and 19th centuries, rockets were developed as weapons in Russia, Britain, India, and so on.

At the turn of the 20th century, major theoretical breakthroughs in modern rocketry were achieved through the efforts of Russian, American, German, and Romanian scientists. In the 1920's, Germany's rocket technology rapidly developed from elementary theoretical studies into engineering work and manufacturing. After the outbreak of World War II, the German fascist authorities used larger quantities of human, material, and financial resources to manufacture missiles and rockets, and on 3 October 1942, Germany launched the first ballistic missile in the world--the V-2 missile--with a range of 260 kilometers. In 1944 this missile was used in actual warfare, but could not rescue German fascism from its doom. The V-2 missile was of epoch-making significance in the history of the development of modern rocket technology.

After the war, the development of rocketry was given priority and proceeded rapidly in some countries.

In 1945, the Soviet Union began to attempt the large-scale manufacture of rockets modeled on the V-2. By the end of 1946, it had succeeded in this effort and made some improvements on the rocket. It called its version P-1. In 1949, it developed a newer model P-2 with a range of 590 kilometers. In 1957, it declared the successful launching of its ultra-long range multistage intercontinental ballistic missile, and sent the first manmade earth satellite in the world into space, thus opening up a new stage in man's conquest of space. In the 1960's, rocket technology developed tremendously. The Soviet Union and the United States developed powerful carrier rockets. In 1961, the Soviet Union successfully launched the first manned spacecraft. From the 1960's onward, space technology has further developed in the arena of applications. A large number of satellites have been launched by various countries, including satellites for scientific experimentation, surveillance, weather, communications, and earth resources. Moreover, the United States and the Soviet Union have explored the planets and interplanetary space, thus greatly enriching man's knowledge of the solar system. From 1961 on, the United States proceeded with the grand "Apollo" program of landing on the moon. Its spaceships carried men to the moon and landed there. Some spacecraft crews also landed on the moon, lived and worked there for a short period, and obtained a great deal of information about the moon.

In the 1970's, the United States started to build a space shuttle system and launched Skylab. The Soviet Union also stepped up work in this area and sent a number of space stations into orbit. The success in building space stations has encouraged scientists to study and design spacecraft that can be used repeatedly and can send men and materials into space economically and safely. The United States now has four space shuttles which have performed 56 manned flights. This signifies a major new breakthrough in space technology, and that man is entering a new historical period in the realm of spaceflight. On 28 January 1986, the American space shuttle "Challenger" exploded in the air 74 seconds after liftoff. This accident greatly shocked the whole American nation and the whole world, arousing deep concern among spaceflight circles in various countries of the world.

China began to develop missiles and spaceflight undertakings in the 1950's in order to quicken economic construction, strengthen national defense, and safeguard world peace. In 1956, Premier Zhou Enlai took charge of formulating a 12-year scientific development program according to which jet propulsion and rocket technology were included in the state's key development projects. Under the direct leadership of Comrade Nie Rongzhen, a contingent of research, production, and experimentation personnel was built and perfected. In the course of nearly 30 years of arduous struggle, China has produced many varieties of missiles, carrier rockets, and satellites.

China's space technology has attained advanced world standards. A relatively complete missile and space industry has been built.

Characteristics of Space Technology

From the viewpoint of engineering, space engineering includes the five major systems of carrier rockets, spacecraft, launch sites, ground testing and control networks, and applications. This is an enormous project of systems engineering involving large-scale operations, complicated technology, many diverse related fields, long cycles in research and production, and massive investment. From the viewpoint of learning and specialities, space technology embraces almost all branches of learning and specialities in modern science, including mathematics, mechanics, physics, chemistry, electronics, biology, structural mechanics, aerodynamics, systems engineering, overall design, propellants, inertial instruments, radio technology, computers, material technology, electronic components, and so on. It can be said that space technology is an important indicator of a country's scientific and technological standard. The main characteristics of space technology are as follows:

1. It embraces large-scale engineering and extensive cooperation.

Space engineering is large-scale engineering. For example, communications satellite engineering includes ground testing, launch systems, testing and control systems, and a ground station system for using the satellite, aside from the building of rockets and satellites. Testing communications satellites involves 10 subsystems (structure, energy source, apogee engine, temperature control, control, remote testing, remote control, tracking, antennas, and communications), each of which comprises many categories of equipment, components and parts, and devices.

Accomplishing this kind of complicated and large-scale engineering work inevitably calls for vigorous cooperation between various departments and units. Every success in China's spaceflight undertakings has been the result of vigorous cooperation between and support given by various departments and units in China. In view of these complicated cooperative relations, organized coordination and command work in scientific and technological work management must be done well based on systems engineering methods.

2. Space technology is complicated and embraces many categories of new and difficult technology.

The space industry makes intensive use of technology and knowledge. It embodies the comprehensive use and highly refined crystallization of modern science and technology. The development of space technology depends on the development of many disciplines, basic or otherwise, and also creates favorable conditions and circumstances for research in many basic branches of learning and technology. The development of space technology inevitably entails tackling many key categories of new and difficult technology, and hence promotes the development of many disciplines. In light of the need for developing space technology, the United States successfully produced and used the first digital computer in the world in 1946, thus promoting the development of integrated circuits technology. The United States is presently researching the making of 5th-generation giant computers and superlarge integrated circuits. China's development of computer and integrated circuits technologies was also promoted by space technology. Moreover, the development of space technology has also promoted the development of many new materials and technologies. In order to develop space technology, China began to research the production of glass fiber reinforced plastic 20 years ago, when the technology involved was new and difficult. Today, glass fiber reinforced plastic is widely used in various technological fields.

3. Space technology involves long cycles of research and production and massive investment.

A space engineering project generally takes 5 to 10 years or even longer to accomplish and involves substantial expenses. For example, although the "Skylab" program of the United States made use of numerous achievements of the "Apollo" program, greatly reducing expenses, the four flights involved still cost a staggering $2.6 billion. The current permanent space station program of the United States includes two stages which cost $8 billion and $12 billion respectively. Precisely for this reason, early planning of the development of the space industry and the setting of clear goals are essential. Moreover, a considerable amount of funds must be raised and the availability of adequate funds must be ensured. Naturally, our expenditure must be less than that of economically developed countries like the United States. Like investment in education, this investment, together with interest on it, will be covered in due course.

Significance of Space Technology to Economic Construction

The space industry is currently one of the fastest growing industries in the world. Between 1957 and the end of 1983, 3,041 spacecraft were launched in the world, including 81 manned spaceships, 102 interplanetary spacecraft, and 11 space laboratories and space stations. The total investment involved is estimated to exceed $300 billion. Currently, the United States is vigorously proceeding with the "star wars" program and the space station and space shuttle program. The Soviet Union is researching the building of space shuttles and large space stations. European countries like France are researching the building of the large carrier rocket "Ariane 5," the small space shuttle "Hermes," and the space station "Columbus Module." Britain is researching building the space shuttle "HOTOL." Japan is researching construction of the large carrier rocket "H-2" and the small space shuttle "Yamato," and is making preparations for building an independent space station system.

The vigorous development of space technology and the increasing attention paid to it by various countries in the world are due to its very close relationship to both national defense and national economy. It has opened up new territory for human activities, namely, outer space. This new territory is much bigger than the earth and its atmosphere and furnishes material conditions and resources in numerous categories in great abundance; for example, there are positions far from the earth's surface, a weak gravitational field (zero gravity), an ultrahigh vacuum, deep cold, ultraclean conditions, solar energy, and so on.

Everyone knows that the information industry is one of the most active industries in the current new global technological revolution. This industry includes the acquisition, transmission, treatment, and storage of information. The treatment and storage of information belong to the realm of microelectronics technology and computer technology and should be developed as key technologies. Space technology plays an important and unique role in both the acquisition and the transmission of information. It makes possible things like the large-scale monitoring of vast areas on the ground or in the sky in order to obtain information; the transmission of information over long distances for the sake of communication or broadcasting; the synthesis of new materials and the creation of new technologies under ideal conditions, to the benefit of mankind; and the obtaining of solar energy as a new source of energy.

1. Space technology enables us to obtain information about the earth's resources, information useful for mapping vast tracts of land, meteorological information, and so on.

Using high-resolution power and high-clarity satellite photographs of our territories, China has obtained vast quantities of information and data related to general surveys of our territories; geological reconnaissance surveys; the exploitation of waterpower; water and soil conservation; the building of railroads and sealanes; the countryside; environmental protection; oil resources; oceans, coasts, seas and beaches; town planning; forecasting earthquakes and catastrophes; archaeological, historical, and geographical studies; and so on. Considering efficacy, a satellite photograph can cover an area of 1.6 square kilometers, and in only 3 days' time a person can finish the initial analytical examination of the photograph and the drawing of interpretative sketch diagrams. In contrast, a manual survey will require 30 or more persons to work 3 years, while an aerial survey takes 3 months for a 30-member team. Considering costs, the cost of a survey per square kilometer is 100 yuan by aerial survey and only 4 yuan by satellite photographs. The use of satellite photographs can bring changes to China's traditional mode of geological reconnaissance survey and greatly reduce the quantity of field work and the funds used. Geological maps for the Qinghai-Xizang Plateau, deserts and gobis, the southern territories, Taiwan, and so on can be drawn only by using satellite photographs. Using satellite photographs of China's territories, we can rather quickly draw 1:200,000, 1:100,000, and 1:50,000 geological maps. Even more closely related to national economic construction are the use of natural resources satellites to obtain information about resources, the use of weather satellites to obtain reliable scientific information needed for weather forecasts and scientific meteorological studies, and so on. For example, in the building of railroads, satellite information can help reduce mileage in the selective positioning of railway lines and help bypass places with faults or possible landslides. Reducing the length of a railway line by 1 kilometer can help reduce investment expenses by 1 to 5 million yuan. For some lines, various categories of expenses can be reduced by hundreds of millions of yuan every year if places with possible landslides are bypassed. Heavy losses can be avoided if structures like bridges are located away from faults. Accurate and early forecasting of natural calamities like floods, earthquakes, and so on is conducive to adopting preventive measures to minimize losses. These benefits are too great to be accurately calculated in numerical terms. According to reports, American weather satellites annually create direct benefits amounting to $600 million and indirect benefits amounting to $3-4 billion. According to statistics compiled by the Cai-Si [5591 2448] Econometrics Company of the United States, a $1 investment by NASA will lead to a $14 increase in national income 10 years later. The input-output ratio is 1:14. The Soviet Union's annual benefits from weather satellites amount to 1 billion rubles.

2. Space technology can be used in the transmission of information like communications, broadcasting, and so on.

Considering communications and broadcasting, satellites have the advantages of small investment, large capacity, difficulty of interference from the natural environment, serving a large area, and so on. These advantages cannot be matched by the traditional means of transmission like coaxial cable lines, microwave relays, and so on. The satellite is a modern means of communication and broadcasting. In particular, it has special advantages in long distance or two-dimensional transmission of information.

An increasing number of countries in the world now use satellite technology for communications and broadcasting. This will play an increasingly more important role in the development of intellectual resources, the raising of scientific and technological standards, the spread and advancement of education, and the undertaking of propaganda work. For China, in particular, this will play an even more significant role in spreading and advancing education and scientific information in the countryside where 800 million people live, in providing communications and broadcasting services to outlying districts, and in developing the electronic audiovisual industry. China's technological means of communications and broadcasting are relatively backward, the areas covered are proportionally small, the quality of broadcasting relay is poor, and results are bad. The most effective and economical way of quickly ending this situation is to go beyond the traditional stage and directly develop satellite broadcasting and communications technology. Thus, the whole country can be covered by a single effort, the use of energy resources can be vastly economized, and investment and maintenance expenses needed for building ground facilities can be greatly reduced. The enormous value of the knowledge and material wealth thus created is beyond computation.

3. Space technology can be used to develop the space industry of the future.

The 21st century will be the century of space. The opening up, exploitation, and industrial and commercial use of space will bring mankind greater benefits. In particular, the processing of materials in space is an extremely attractive undertaking. Many things can be synthesized in the ideal conditions of space, for example, semiconductor materials, crystals, magnetic materials, shape-memory alloys, noncrystalline metals, compound materials, porous foam materials, organic polymers, glass, transparent china materials, other new alloys, medicines, and so on. According to reports, some first aid medicines which take 30 years to synthesize on the ground take only 30 days in space. New technologies can also be created in the ideal conditions of space, like new drawing technology for producing thin sheets, plates, and threads, adhesion casting, containerless smelting and forming, outer coat or case technology, electrophoresis technology, and so on. The benefits yielded are very substantial. According to projections by the "U.S. Space Policy Center," after the year 2000, the total annual revenue of civilian projects in the United States employing space technology will reach $65 billion, and the corresponding annual tax revenue will reach $13 billion.

To sum up, the development of space resources can yield enormous economic and social benefits. This is the major motivating force behind various countries' eager development of space technology. However, it must be noted that the space industry involves huge expenses, and its development must be compatible with national economic development. If the relationship between the two categories of development is not appropriately handled or if the development of the space industry surpasses the limits warranted by the national economy, national economic development may be affected. China is a developing socialist country. In developing the space industry, we must proceed from China's national conditions and China's economic, scientific, and technological capabilities and correctly handle the relationship between the two categories of development, so that the space industry can become a force that promotes economic construction and scientific and technological development. China is a socialist country that ardently loves peace, and we must never guide the development of space technology onto the track of the arms race as some economically developed countries do.

China's Space Industry

Our party and state have paid attention to our space industry since its birth, and the guiding principle of "self-reliance and arduous struggle" has been adhered to. In the founding and development of this industry, the foundation and fruits of the missile industry have been fully used, so that these two symbiotic industries have developed side by side. The space industry has currently attained a considerably well-developed scale and standard. On 24 April 1970, China successfully launched its first manmade earth satellite. That 173-kilogram satellite outdid other countries' first satellites in regard to the technologies of tracking, transmission, temperature control, and so on. To date, China has successfully launched 18 satellites, 7 of these retrievable ones. In recent years, China has launched intercontinental rockets directed toward the South Pacific and solid-fuel rockets from underwater, and positioned at a fixed point above the equator a geosynchronous orbital experimental communications satellite. On 20 February this year, China launched a practical communications satellite which was successfully positioned at a fixed point on longitude 103 degrees above the equator. Since China announced its readiness to use "Long March 2" and "Long March 3" carrier rockets to launch satellites for foreign countries, Sweden was the first to order the launching of a postal service satellite. Currently, some governments, business groups, and companies from eight different countries are holding talks with China on the launching of satellites. Considering the United States alone, 10 companies have contacts with China in connection with launching services.

We have built a contingent of scientific, technological, and engineering work personnel composed of various categories of specialists, scientific and technological work personnel, scientific and technological work management personnel, and workers. They have been tempered in practical work and can undertake various categories of space engineering tasks like research, experimentation, and production. This contingent of scientific and technological work personnel have more elderly specialists as the backbone, middle-aged scientific and technological work personnel as the main body, and young scientific and technological work personnel as a reserve army. These personnel are hardworking, intelligent, and capable, and can successfully undertake formidable tasks. They are the invaluable treasure of the space industry.

We have built bases that do research, designing, experimentation, and production work in connection with carrier rockets, satellites, missiles, launch equipment, and testing and control equipment. These bases are doing research or production work in connection with the launching of various categories of satellites and the corresponding categories of carrier rockets, like large low-orbit satellites, stationary geosynchronous satellites, heliosynchronous satellites, and so on. Under the impact of the surges of new technological revolution, economic system reform, and scientific and technological work system reform, these research and production bases will gradually undertake technological transformation, will further be improved and upgraded, and will more fully develop their potential.

China has also built experimental bases and various categories of stations to perform spaceflight tests, and has built a testing and control network composed of various domestic stations and oceangoing survey vessels. These experimental bases and testing and control networks have stood the test of repeated test flights.

China has experience in large-scale national cooperation and has mastered relatively well-developed management methods. A relatively comprehensive cooperation network has been formed. Relatively abundant experience in organizing, directing, and managing large-scale test flights has been gained. These methods and experience will be useful in our future space undertakings.

Some comrades think that developing the space industry is not worthwhile because it is of little practical value but requires the excessive use of funds and technological forces. This view is clearly not all-sided and it has arisen mainly because those comrades do not adequately understand the nature, status, and role of the space industry. We should make them more knowledgeable through propaganda. As explained above, the space industry intensively uses information and technology. It synthesizes and uses modern science and technology and the newest achievements of various branches of learning. It can promote the development of many branches of learning and is closely related to national economic construction. Although China's space industry has achieved great success, it greatly lags behind its counterpart in developed nations. Its mission is becoming increasingly more arduous in today's world of intensifying competition in the field of space. We must persistently promote its development on the basis of our economic, scientific, and technological development. In light of the requirement for rapid economic development, China is proceeding with research and production work in connection with a new generation of practical communications, broadcasting, weather, and resources satellites, and other categories of more sophisticated space engineering work. They will directly serve the realms of postal and telecommunications services, broadcasting, meteorology, agriculture and forestry, irrigation, oceanography, mapping, terrestrial mining, communications, education, culture, and more. After many years of efforts and investments, China's space industry is now in a "harvesting season." If we continue to put in the necessary funds, knowledge, and technology, the past investment and construction work will continuously yield greater benefits and a "chain reaction" and "beneficial cycle" will appear so that the development of other branches of science and technology and the development of national defense can be powerfully promoted, national economic development can be encouraged, and the four modernizations can be speeded up.

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CSO: 4004/64

ON ACHIEVEMENTS IN ONE'S OFFICIAL CAREER

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 29-30

[Article by Fan Kang [5400 1660]]

[Text] As our reform develops and deepens, a large number of middle-aged and young cadres have been assigned to leading posts. These comrades have the desire to achieve something great. People at all levels hope that they will do so. All their "internal impetus" and the "external pressure" focus on one question--how great the achievements are in their official career. However, how are we to evaluate the achievements and what are our yardsticks to do so? These are questions we have to discuss. If, from the very beginning, we differ in our view about the answers to these questions, or if our yardsticks differ, then our work will be hindered. Many enterprises have implemented the system of assigning tenure targets to leaders, and some offices and institutions have been carrying out similar experiments. Therefore, it is even more necessary to discuss this issue.

"A new broom sweeps clean" has always been a saying said with a sneer. I think that people criticize like this because it sweeps clean only when it is new rather than because it actually sweeps clean. In the current process of the transformation from the old system to the new, there must be quite a backlog of problems to solve and things to do in a factory, school, office, or scientific research institute. If a new leading cadre cannot bring some vigor with him when he comes to his new post, if he fails to make careful investigations and studies and thus conscientiously and satisfactorily handle some outstanding problems, in other words, if the new broom fails to sweep clean and allows the old rubbish to continue to hinder the operation of the outdated mechanism, then obviously this new cadre will fail to perform his official duties. There has long been a new explanation to the old idea of preserving the undertakings established by our predecessors. Our predecessors roused and relied on the masses to overthrow the reactionary rule, established the democratic people's dictatorship, and thus laid the foundation for our socialist construction. By so doing, they indeed scored a great achievement. However, if we stretch our field of vision to the end of this century and further to the middle of the 21st century, despite the extremely important and decisive significance of this previous achievement, it can only be regarded as an achievement which has opened up the road for and pointed out the goal of a new march for posterity. Every generation has as its task to make further progress and score new achievements. Only by creating a new situation under the new conditions can we preserve and develop the undertakings established by our predecessors. Therefore, we will not be able to preserve the old undertakings if we fail to continue to blaze new trails. We are not a "caretaker cabinet" of a Western country which does not want to achieve anything even when it is formally in office. In our country, all leading groups, big or small, and the leading cadres at all levels must come to the center of the stage with lofty and grand ideals. Therefore, of course they must sweep clean for the reform. In addition, after they have launched the reform, they should continue it for a long time.

What do the vast number of the masses hope that the new leading comrades will sweep clean if they regard these cadres as "new brooms"? Very probably, they first want them to solve a number of "old, big, and difficult" problems. Owing to the interaction of many complicated factors and prolonged delays, perhaps there is a backlog of knotty problems to be solved in many areas. Some of these problems are related to major policies and principles and others are related to our actual work. Some of them concern collective welfare and others concern people only as individuals. They differ in their nature, phenomena, and greatly in their scope. However, they are of great significance for cadres in giving play to the staff members and workers' initiative and have great impact on the establishment of a relationship of mutual confidence between the leaders and those under their leadership. Whether a cadre dares to deal with and is good at dealing with this kind of problem and thus makes a breakthrough in creating a new situation is a test for our leaders concerning the closeness of their ties with the masses and a test of their pioneering spirit to look squarely at the difficulties and their actual ability to handle problems. There is no need to cover the fact that in the past some comrades looked competent only on the surface but failed to very satisfactorily perform their duties. As a result, people cannot help have some reservations and feel sorry for them when the achievements of their official careers are evaluated. Of course, if the leader of a unit only does his work according to the arrangements of the upper level which are applicable to all the units at the lower level, then even if he has scored some achievements, he has only fulfilled his general tasks. Can the practice of avoiding dealing with the outstanding problems and ignoring the problems that most people are concerned about be regarded as a practice of really proceeding from reality? Can this be a creative way of doing one's work? Please, tackle some difficult problems. As leaders in your prime of life, you ought to have such aspirations and courage. The reform has already become an irreversible trend of the development of history and the force to destroy the decadent and outdated things has already been pooled and become an increasingly irresistible force. As long as we follow the Marxist ideological line and work methods and do our work in a down-to-earth manner step by step, we will ultimately be able to solve any problem, however difficult. Even if we cannot solve it for the time being, we will be able to reduce its harm. In the course of overcoming extraordinarily difficult problems, people can give full play to and continue to improve their wisdom and talents.

Should we consider the whole situation in an all-round manner in grasping ways to solve the problems which urgently need solutions and about which most people are concerned at present? Should we consider the long-term consequences of the effort to solve them? Should the leader who solves the problem be responsible for the consequences after his tenure expires? These are questions that we have to consider in evaluating the achievements of a man's official career.

At present, the newly appointed responsible cadres in some areas and departments have set some targets for themselves in fairly great detail concerning the things that they plan to do in 1 or 1/2 years. They have announced these targets to the public to show their firm resolution and ask people to supervise their work. This clear-cut attitude is worth praising. What they have included in the list of their targets are problems that are closely related to the immediate interests of the masses. It is necessary to exert their efforts and satisfactorily grasp these problems. It is possible to achieve quick results if they really work hard to solve them. If we say that by so doing these leaders are pursuing quick achievements, we should understand that there is no harm in this. Can a man be a qualified leader if he is only satisfied with boasting but fails to actually solve some actual problems for the masses? As a leader who controls the overall situation, in making decisions about and starting to handle any difficult problem, he should have magnificent strategic foresight, and take into consideration all factors, the future impact of the measures that he is going to adopt, and the possible changes in the relations between these factors. Only after repeated comparison and study should he make his final decision. He should by no means pursue quick achievements in such haste that it is criticized by other people and thus act rashly for short-term satisfaction. By so doing, he will not only fail to very satisfactorily solve the old problems, but will also give rise to new problems and even long-term negative consequences. There have long been instances of such a practice. In order to pursue a high output value, some factory directors failed to take into account the demands of society and desperately expanded the equipment in their factories. In order to pay more bonuses to the staff members and workers, some factory directors adopted the policy of "draining the fish pond to catch all the fish" and even had no scrap to pay bonuses out of production development funds. No sensible person would ever approve this kind of "achievements of an official career" which could give rise to trouble in the future. As a negation of the system of lifelong tenure, the system of a fixed term of tenure is undoubtedly progress. However, can responsibility be cut off when the term of tenure finishes? Every leader, let along a communist, should make what he has done in his term of office stand the test of time and be responsible for it all his life. This reminds me of a work briefing meeting that I attended. At that meeting, a responsible person of the office responsible for drawing up plans for the valleys of the Chang Jiang said that in the Qianlong Reign of the Qing Dynasty, when a certain section of the dike of the Jing Jiang broke and caused a serious disaster, not only did the governor of Huguang Province in office at that time have to shoulder responsibility for the disaster, but the two preceding ones also had to shoulder responsibility. Should an official be free from blame when he has left his office? We are people who have made up our minds to build a powerful socialist country and serve the people all over China. Should we not have an even stronger and more conscious sense of responsibility?

In the past, we often based our evaluation of the achievements of a person's official career on what people said and often this was an act of recalling things long ago. Times have changed. Now it is necessary and possible to set some objective standards for evaluation and measures for prompt examination and write them into necessary rules and law. There has been news that in some provinces and autonomous regions the regulations concerning the auditing work to evaluate the work of factory directors and managers when they have left office is being implemented in either an all-round or partial manner. This auditing examination covers the realization of the major economic and technological targets set for their terms of office, the question of whether there have been any losses of state property and unclear accounts, that of whether the income and spending conform to laws and regulations, that of whether the figures for profits and losses are accurate, and that of whether the interests of the state, enterprise, and staff members and workers are all taken into account while ensuring that the state gets the largest slice of the interests. According to what is found by the audits, we decide whether they should be awarded or punished and whether they should be once more appointed to their posts. By so doing, they cannot be free from responsibility even after they have left. This is a good method. If the leaders of all areas and departments always remember that after their terms of office expire, there will be such an audit to check their work, then they will always be very careful in doing their work, carefully consider anything they are to do, combine shouldering responsibility for the current generation with that for the future generations, and work hard to pursue the achievements of their official careers that will benefit the country and people for a long time to come. As a result, they will be able to do their work even better in their terms of office.

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CSO: 4004/64

RESEARCH IN SOCIAL HISTORY AND ACHIEVEMENTS IN THE NATURAL SCIENCES

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 31-34

[Article by Jiang Dachun [5592 1129 2797]]

[Text] As modern science tends toward increasingly comprehensive development, how to view the influence of achievements in the natural sciences on research into social history is a question to which our nation's academic circles have paid close attention. This article is intended to put forward a few immature ideas on this question.

The tendency toward comprehensiveness in scientific development, as far as the science of social history is concerned, is manifested both in overlapping between the various specialities within the field as well as in the osmosis between the science of social history and the natural sciences. Social historical research should and can draw from the accumulated achievements of the natural sciences in order to promote its own further development. Everybody knows that the establishment of the most important scientific achievement in the area of social history--the Marxist materialist view of history--had as one of its preconditions the development of the natural sciences at that time. In the period when the level of natural sciences was low, scholars found it difficult to carry out observations and studies by concretely linking the history of human society and the natural world. Following the development of the natural sciences, there was an organic filling in of the wide gap between the inorganic world and the organic world, and biology proved that plants and animals (including humans) were all products of hundreds of thousands of years of natural development. These natural science achievements prompted Marx and Engels to proceed from the idea of universal relationships. They examined human society as a real component part of the natural world and linked the former with the latter. They established that the production modes of material life are important decisive factors in historical development, and they revealed the real basis for the development of man's social history. At the time, Engels clearly pointed out: "Just as today's natural scientists are all irresistibly drawn to observe and study the general conclusions of theory, regardless of whether they wish it or not, so every person who studies theory is similarly irresistibly forced to study the achievements of modern natural sciences. Here then is definite mutual compensation." ("Selected Works of Marx and Engels," Vol 3, p 465) At the beginning of this century, Lenin, in the article "Again Destroying

Socialism," pointed out that in the 20th century a more powerful tide of movement from the natural sciences toward the social sciences would emerge. ("Complete Works of Lenin," Vol 20, p 189) In modern China, the achievements in the natural sciences are increasingly moving toward the area of social history. Natural sciences are actively absorbing and using social history, which is further promoting the development of the science of social history. There can be no doubt about this.

However, there are differences in people's understanding as to how to absorb it. Some people believe that our nation's science of social history has not yet formed truly effective research methods and propose copying the theoretical conclusions of natural sciences. This proposal is worth discussion.

Indeed, some achievements in the development of the natural sciences and technology have been used as technical tools for arranging and handling materials in the social history field. For example, in mathematical calculation and statistical methods, computers are used to store and access information and to help in arithmetical calculations. All can be directly used as they are used in the natural sciences. Some knowledge of natural sciences can also be directly used in resolving some specific problems in the social history field. However, the theoretical conclusions of natural sciences are not like the technical measures which can be directly used in the social history field. As far as systems theory is concerned, which people often speak of now, some people directly use it to explain the development of China's social history. They say that China's feudal society was a closed system and that if there had not been the Western big powers to blast the system open with their cannons, Chinese society would only have been able to continue in the vicious circle of the feudal social system; that is, even if there was development of the productive forces, it would not have led to the development of capitalism or the establishment of a capitalist society, much less modernizations. According to this understanding, the Chinese people should not have opposed the invasions of imperialists, since if these had been opposed, it would have obstructed the development of China's society. This is clearly not in accord with the objective reality of China's modern history. Systems theory has its origins in the biology of the beginning of this century. It stresses that the open nature of biological systems has a certain logic because external conditions are essential for biological development. However, if we take the openness and turn it into the only cause of change in biology, negating the internal reasons for biological development, it will be difficult to support such a view in biology. Thus, simply copying the idea of openness in systems theory and applying it to the area of social history is an idea even harder to support.

When we compare man's world and the natural world, we find that there are different characteristics. Man has consciousness and the capacity to think and thus, inevitably, social phenomena have been divided into the two major areas of material phenomena and spiritual phenomena. Their difference lies in that they are based on social existence and social consciousness respectively. This results in the field of social history having different patterns of movement from the natural world, which only has a spontaneous role through material phenomena. This basic difference determines that natural science theories often cannot be directly used in explaining the phenomena of social history, such as the phenomena in production relations and the superstructure area and especially the phenomena of consciousness formation. Marx and Engels paid attention to drawing in the achievements of the natural sciences, but opposed indiscriminately copying and applying natural science achievements in the social history field. Engels pointed out: "The essential difference between human society and animal society is that, at most, animals are collectors, while man can engage in production. Purely because of this single but basic difference are we unable to directly apply the patterns of animal society to human society." Indiscriminate copying is a "ridiculously childish" idea and "there is absolutely no need to waste a lot of words on this." ("Complete Works of Marx and Engels," Vol 34, pp 163, 162) At the same time, we should recognize that some of the theoretical conclusions of the natural sciences can, through further abstraction, ascend to general principles and can play a guiding role in social history research. Some other conclusions, although they are generally correct, contain some mistaken components. There are also some theoretical conclusions of the natural sciences, which although proven true in their own scientific field, when applied in other scientific fields and especially when applied in the social history field, become mistaken or even absurd conclusions. Thus, not taking the different objective conditions of the natural world into consideration and indiscriminately applying the achievements of the natural sciences goes against the basic principle of researching questions by proceeding from objective reality.

What method then did Marx and Engels favor applying? They consistently saw the natural world as the touchstone of dialectics. They inquired into the question of how research into social history should correctly draw in achievements in the development of the natural sciences and put forward many incisive views. Engels pointed out: When understanding the achievements in the natural sciences, "in our minds we take individual things and raise them from an individuality to a particularity and then again raise them from the particularity to a generality. From the limited we find the limitless and from the temporary we find the permanent, and then fix them." ("Selected Works of Marx and Engels," Vol 3, p 554) "Through following the path of positive science and the use of dialectical thought to carry out the summation of these scientific achievements, relative truth can be realized." ("Selected Works of Marx and Engels," Vol 4, pp 215-216) It can be seen that the Marxist founders advocated following the path of dialectical thought, carrying out philosophical summation of achievements in the natural sciences, and proceeding upwards from individual occurrences to universal truths. These are the guiding principles for further research work. This is truly a scientific road by which to seek truth.

However, in the last few years, some scholars have not endorsed this path. They believe that in the process of researching the science of social history, if we stress what we have stressed in the past and take philosophy and especially a materialist view of history as guidance, then this is placing a prior reliance on directly perceived feelings and speculation to determine the definition of an object, and that thereby we will make mistakes.

Thus, they advocate systematically drawing on the methods of natural sciences and using them as a unified, overall scientific method. As compared to indiscriminate copying, this proposal is an advance, but in fact this is using the methods of the natural sciences to exclude and replace the materialist view of history as guidance for research into social history. Clearly this does not accord with the reality of the objective process of scientific research.

In the history of scientific development, it can be seen that philosophy as a world view and methodology in understanding things has in its relationship with the various specific sciences (including natural sciences and the science of social history) gone through a process of moving from combination to division. In the past, "everything was in philosophy" and then, after the European Renaissance, the various specific sciences, especially the "true" natural sciences, successively shed the embrace of philosophy. Thus, "nothing was in philosophy." However, this combination and division were only changes in the forms of combination of philosophy and other specific sciences. The essential relationship between the two--the relationship between general and specific, guider and guided--was not lost. In scientific research, observation as a cognitive category is not only the production of a perceived image through the stimulation of a person's sensory organs by the thing perceived; it inevitably involves another factor, that is, the observer organizing the perceived image in accordance with certain patterns to obtain perceptual knowledge. Thus, observation is a combination of the perceived image and the person's brain using certain patterns to organize the image. These patterns of organization by the observer are undoubtedly related to the observer's former experiences and the theoretical knowledge mastered. If this were not so, scientists would have no way to change the perceived image, in accordance with certain patterns, into observation results. It is as Engels noted when he said that if there was no theoretical thought, then even two of the simplest things could not be linked. Thus, there is no such thing as a "neutral observation" which is not partial or biased that can be obtained by attempting to divorce oneself from all theoretical guidance. Once observations have permeated theory and have been raised from empirical knowledge to theoretical knowledge, then even less are they able to be divorced from the governing of certain philosophies and theories. Einstein, one of the century's greatest scientists and a non-Marxist, said: "The popularization of philosophy must be based on the achievements of science. However, after philosophies are established and widely accepted by people, they often promote the further development of scientific thought and guide [preceding word published with underlining] science in selecting a road from the many possible roads." ("Collected Works of Einstein," Vol 1, p 374--stress provided by author)

Research into the natural sciences cannot be divorced from the philosophical governing of world views and methodologies. If social and historical research divorce themselves from philosophical guidance, then they will be even further from the reality of the process of scientific research. Seen from the process of historical science, the determination of research aims and the selection of topics are all governed by a certain world view and are determined, after a logical process, in order to satisfy a particular need of society at that time or in accordance with the developmental needs of historical study itself, or a combination of these two factors. When entering the concrete research process in this field, the obtaining of empirical knowledge with perceptual knowledge is more complicated than natural science research. The materials for historical research, except for a small number of remnant historical artifacts and objects, are mainly written documents. All of these were recorded by people in the past in accordance with ideological patterns and all are colored by a world view formed under a certain period and certain social conditions. Thus, they conceal or distort the real facts of history. If analysis is not carried out under the guidance of a more advanced world view and methodology, then it will be exceedingly difficult to reveal the true historical facts. To link the revealed historical materials and recreate the truth of historical things, it is necessary to have a certain conception of history as guidance. As far as Marxist historical science is concerned, it is necessary to carry out further study of the revealed historical facts and, through comparison, induction, analysis, and synthesis, understand their internal connections and examine their growth and decline. On this basis, summary and abstraction are carried out to reveal the developmental trends and patterns of movement of the historical process in a wider space and time range, and thereby rational knowledge is achieved. This can only be realized under the guidance of a materialist view of history.

If social and historical research receives the guidance of a materialist view of history, can this then, as some people claim, lead to the a priori definition of research goals and thereby the violation of the rational scientific research procedure of proceeding from facts? Actually, in the past when we stressed the guidance of a materialist view of history, there occurred situations of proceeding from conclusions, using historical facts as footnotes to some principle of the materialist view of history, and even the wild sticking of theoretical labels on historical facts. However, this was an abnormal state which appeared when Marxist philosophy was distorted and is not representative of the essential nature of the materialist view of history. This is because proceeding from conclusions and tailoring facts is precisely what the materialist view of history opposes. Rather, it stresses that "principles are not the point of departure in research, but its final result," and that "no matter whether it is in the field of natural science or historical science, in all it is necessary to proceed from available facts." ("Selected Works of Marx and Engels," Vol 3, pp 74, 469) It can be seen that the issue lies not in rejecting the guidance of the materialist view of history but in how to correctly understand the essence of the materialist view of history. To reach such an understanding, we must first use a scientific attitude in looking at the materialist view of history.

The basis of historical materialism as a theoretical system cannot be changed. However, the scientific demonstrations by which the basic principles are used to explain the facts of social history can change. If these changes can widen the scope and deepen the contents of social and historical facts explained through the use of basic principles, then this is developing the materialist view of history. For example, in general, European history is divided into five social forms, and this can be scientifically demonstrated. People who study European history can use this as guidance in concretely describing the historical development of Europe. It is also possible, on the basis of more precise or newly discovered historical materials, to revise some of the specific conclusions. As to the study of Chinese history and Asian and African history, in the same way it is necessary to use the basic principles of the materialist view of history as guidance. If we obtain results by proceeding from researching the historical facts of these areas and we find that they passed through not five social forms, but three, four, or six (of course it could also be five) social forms, this is not violating the materialist view of history. It is, in fact, enriching and developing the materialist view of history. This is because, if the conclusion that there are three, four, or six types of social forms accords with the historical reality of these countries and regions, then that just proves that the materialist view of history can explain more historical facts and proves that the basic principles of the materialist view of history are correct. Conversely, if we do not proceed from historical facts and in these regions forcibly join together various social form theories, then that is truly going against the basic spirit of the materialist view of history. It can be seen that firmly adhering to the materialist view of history as guidance in researching social history refers to using the basic principles of the materialist view of history as a guide in carrying out research work. It certainly does not set down beforehand the definition of the research targets. As to conclusions on the essential fixed nature of related things, only after researching these things can conclusions be obtained.

This touches on a contentious question. That is, what basic principles of the materialist view of history have, until now, played a guiding role in our research into the science of social history? This requires serious research by everyone. Here I wish to point out that there are two basic reasons the materialist view of history can be called a materialist view of history: First, the development of social history is an objective process which cannot be changed by man's subjective will. "The development of socioeconomic forms is a natural historical process." ("Selected Works of Marx and Engels," Vol 2, p 208) Scientific historical research must proceed from objectively existing historical facts and cannot proceed from the objective wishes of the researcher. In regard to this, although there may be a small number of people who feel that there are some problems which need discussion, this principle is the scientific path by which social history research produces true results. Second, in the objective historical process, all social facts play mutual roles, but in the final analysis, the production patterns of material life are the most decisive factors in social development. "In the final analysis" includes two levels of meaning: First, it is not to say that all social phenomena are directly determined by social production and that other social factors do not play a role. Quite the opposite, since political relations (including the class struggles in the history of civilization) and other factors have played major intermediary roles. Second, it is not to say that only economic factors are positive and that other factors are all negative. All social factors play mutual roles. However, "these are mutual roles which, in the final analysis, are based on economic inevitability of continually opening avenues for themselves." ("Selected Works of Marx and Engels," Vol 4, p 506) Here, the materialist view of history does not provide any ready-made answers for the science of social history. It only provides social history research with a scientific path which uses social existence to reveal social consciousness. The basic principles of this type of materialist view of history absolutely cannot be negated. If either of the two above-mentioned foundation stones is taken out, the materialist view of history will not be materialist view of history.

As far as historical research work is concerned, a pressing task at present is to study Marxism anew and study the materialist view of history anew. We should, together with philosophers and all the theoreticians in the social history research fields, understand from the formation and development process of the materialist view of history, those basic principles which have played a guiding role in our social historical research work up until today. At the same time, we should draw in all positive results in modern natural sciences, social sciences, and thought sciences, combine them with the conditions and characteristics of our times, further develop the theoretical system of the materialist view of history and promote, in an overall way, the development of the science of social history toward modernization. Attempting to reject the guiding role of the materialist view of history result in us taking the wrong road and even making mistakes.

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CSO: 4004/64

TENTATIVE ANALYSIS ON 'THE FEELING OF BEING CONSTRAINED'

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 35-36

[Article by Yu Xinyan [0151 1800 6056]]

[Text] Some college students find that they have a "feeling of being constrained." When they are asked what being constrained means to them, they say that they cannot state it clearly. However, there is such a feeling and sometimes it makes them feel fairly low.

This seems very strange. A college student is "God's favored one" and his destiny is admired by other people. Other members of our society, for example peasants, earned only a little over 200 yuan per capita and per annum a few years ago. Even though they have become much better off, they still only earn an income of 397 yuan a year per capita. But they have no "feeling of being constrained." Why should "God's favored ones" have the "feeling of being constrained"?

Is this because college students are particularly sensitive about their high educational level? This does not seem the right answer. A few years ago, our college students seldom had such a "feeling of being constrained." As for personal experience, they suffered much more bitterness than those who are in college now. Many of them were born a little before the 3 years of economic difficulties and their study was interrupted during the period of turmoil. Some of them were influenced by the torrent of fanaticism and later experienced much bitterness. Of course, they had much to complain about and to be indignant at, but at that time, they never said that they had a "feeling of being constrained." What they had was the feeling of "having lost something," the feeling of being cheated, for which they declared that "they will no longer believe in anything," and the feeling that "the path of life is becoming increasingly narrower." As history advanced and their own practice developed, most of these feelings and understandings of theirs changed.

Our current college students, however, do not have such feelings. Conditions can be regarded as most difficult for those college students who are not supplied with boarding at colleges, but we find few of them saying that they have the "feeling of being constrained." The number of people who have this feeling is small in ordinary colleges, but it is much bigger in our key institutes of higher education. This deserves careful study.

A study of the students who have the "feeling of being constrained" reveals that most of them were good students when they were in middle schools. From their childhood, they have received "particularly great protection and care" in their families and they are the most favored of their parents and grandparents. Everyone in their families has worked hard to please them and tried every means to satisfy their desires. As the standard of living has improved in the past few years, so has their satisfaction. What other people want of them is one thing only: to study well. All other things that they must do are done for them by other people. If they want anything, they only have to consider it and it will be done for them by other people. As a result, they often think that things in the world are very easy to do. Of course, considering something is much easier than actually accomplishing it. They are apt to feel unsatisfied with those who have accomplished whatever it may be, because it is always possible that things are not done as well as they expect. In their opinion, this is either because those who have done the things are too stupid or because they have too poor a sense of responsibility that they should have failed to do well such an easy thing.

Most of them receive good marks in their studies. When they were in primary schools they were often the best or second best students. Even after they entered key middle schools, they often scored first on examinations. They were praised by all people around them; therefore, it is likely for them to regard themselves as "gifted." They were lucky to be born in a good era. They know their country needs talented people. This cannot help but rouse their lofty aspirations and magnificent ideals. It is also good for them to "have lofty aspirations when they are young."

However, as soon as they entered key institutes of higher education, they encountered a series of changes. They were not mentally prepared for these changes. They left their families to live independently together with people of the same age. Under the new circumstances, they are no longer in the position of being favored by everybody around them. Who can say that they should receive special care compared with other students? In one room in their dormitories, there are now six or seven people who were also the best at middle school. In one class, there are 20-30 students who were the best students at middle schools. Most of the students end up losing their position as the best. In addition, the way to study in college differs greatly from that in middle school. Some of them have found it hard to adapt to this. In order to admit more young people like them into colleges, the scale of recruitment has expanded too quickly in the past few years. The number of students in most colleges has more than doubled. In spite of the construction of many buildings, there is a great shortage of all kinds of school buildings, including dormitories, canteens, libraries, classrooms, and laboratories. They were not mentally prepared for this either. In reality, the colleges have fallen fairly far short of their expectations. This is a contradiction caused by the excessively quick development of our colleges. Those who often regard things as easy to do find it very difficult to understand this contradiction.

This is a very interesting phenomenon. In contrast to the previous batches of college students who had various kinds of ideological problems because they had suffered so much hardship, among the college students today there are some people who have the "feeling of being constrained" because the development is too smooth.

There is no need to take the "feeling of being constrained" too seriously. These young people's world outlook is taking shape. There might be some fluctuations and twists. Some pain in their minds will urge them to think and probe into this world. This will do them some good. In addition, changes in young people's minds sometimes occur quickly. We should not worry that a certain mentality will surely develop into a fixed ideological trend and become a very serious problem. How many young people who felt sad that "the path of life is becoming increasingly narrower" a few years ago are continuing to hold this view today? In practice, they have already embarked on an increasingly broader path. In addition, life is urging them to work hard to forge ahead and thus causes them to have no time to feel sad and complain as they did in the past. Similarly, life and practice will also make those who have the "feeling of being constrained" now to see bright and broad prospects. Of course, these prospects will be different from their previous ideas. They will be founded on reality. What we mean by reality consists of both favorable and unfavorable conditions in their lives and the various kinds of things that will fall short of their expectations, such as the frustrations, twists, and turns that they will inevitably encounter in their paths of progress and the requirement that they have to exert earnest efforts and have real dedication. When our young people can make a correct evaluation of the sum of all this, nothing will be able to detour their optimism.

A man who has not learned to swim will feel the pressure from the water when he goes into it even if the water is fairly shallow. When he has mastered the skill of swimming, he will feel buoyant in the water and will even be free to move in deep water. This is a process to understand the law related to water. In this process, study and practice are both indispensable. A college student should be tempered and become a pillar of the society. In order to achieve this goal, he should understand the laws related to social life. In doing so, study and practice are indispensable. During the period of college study, one of the important issues for a college student at present is how he is to get more opportunities to take part in the social practice inside or outside his college. At a time when there is a reform in all undertakings, these opportunities are many. For example, college students can manage their canteens themselves, administer the discipline in their dormitories and the order in their campuses, and organize some extracurricular academic or recreational activities. These may do them much good. They are also pressure and worries, but they are different from the "feeling of being constrained" and are the worries that forerunners feel. They will thus be tempered in practice and their talents and abilities will thus grow. At the same time, they will also understand various kinds of human relations, understand society, and strengthen their confidence in their ability to realize the value of their life in practice.

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CSO: 4004/64

THE SACRED DUTY OF AN ARMY ARTIST

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 37-39

[Article by Yin Peihua [3009 1014 5478]]

[Text] Beijing in May is pretty, with flowers everywhere, and full of life and vitality. Several of our middle-aged and young artists of the Jinan Military District, bearing the hopes and anticipations of the army units of the frontline along the southern border and entrusted by the leadership comrades of the military district, staged the "Fatherland in Our Hearts" art exhibition in the China Arts Exhibition Hall, displaying paintings depicting wartime life on the front along the southern border. Quite unexpectedly, these rather crude productions coming from the pens of unknown artists have actually provoked strong reactions from people in the capital city. Many of the visitors to the exhibition, especially the young students, sobbed and fell into deep thought in front of the paintings. In the visitor's book, they wrote down poems expressing their feelings and sending their warm regards to the army units at the front. They showed their sincere feelings and respect for the armed forces. As one of the sponsors and organizers of this art exhibition, I felt greater pleasure and happiness than ever before in my lifetime. I was pleased to find that the army units' selfless sacrifice had won the acknowledgement of people in the rear and was happy because the work of our army artists had received society's due recognition.

I joined the armed forces over 20 years ago, and have all along been engaged in army art work. I did certain work which won national awards. For a time before the period of the "Great Cultural Revolution," certain artistic creations reflecting topics of revolutionary history of the revolution and actual life fell into the mire of formulism, dealt in generalities, and were vague in expression. My output also became sermon-like and lacked the capacity to convince. In recent years, because people have changed their aesthetic judgment and because during the period of the "Great Cultural Revolution," works of a "faulty," "shallow" and "empty" nature were plentiful in the market, simultaneously with the occasional appearance of certain good works in the artistic circles, certain comrades were interested in turning out works which catered to other people's wishes or were strictly commercial in character. Some youthful comrades showed no interest in going deep into life but believed that "the farther art departs from life the greater is its vitality," and were enthused with "self-expression." Under the influence of this line of thinking, some publications were unwilling to print artists' productions which reflected life in the armed forces. Some individual comrades who used to be engaged in this category of creations also closed their doors and became devoted to their "small selves." In the new era, should or should not art creations insist on going deep into the road of life? Do art productions which reflect life in the armed forces still possess vitality? At a time of puzzlement and uncertainty, I was awakened by the sound of guns and cannons in the southern border area. The heroic deeds of the warriors at once attracted me and my comrade artists to the battlefield of blood and life.

Since 1983, I have made three visits to the frontline along the southern border to get a glimpse of life there, in the hope that, in a wholly new environment, the shocks in the battlefield who bring forth on my part creative inspiration. Especially on the third visit I and my artist friends penetrated deep into the frontline. There we saw the warriors on guard in the foxholes. Some of them bore fresh wounds, their uniforms torn to pieces. Some had not eaten for several days because the enemy had blocked supply lines. All they could do was to eat cloth threads and toilet paper as food. Nevertheless, they were never downhearted or made any complaint. In between the exchange of fire with the enemy, they would use small flowers and pebbles to adorn their foxholes with the Chinese characters meaning they would "rather suffer hardships just to make other people happy." We also saw members of the transport units carrying heavy loads and edging forward with great difficulties to bring ammunition, water, and food to their comrades. Some of them actually fainted on the spot because of overfatigue or hunger or thirst; some never regained consciousness. I came across a warrior whom the division commander had personally selected to serve as a member of the shock brigade. In the course of the battle, one of his arms was torn off by enemy fire. When he was eventually rescued, he asked specially to see the division commander. With great emotion he said to the commander: "Not everybody is chosen to serve in the shock brigade. You gave me the honor. I must say 'thank you.'" On the battlefront, extremely warm feelings existed between the warrior-comrades. In the first aid clinic, a young nurse who had just turned 18, frequently helped the wounded and disabled soldiers to take baths; she would read poems, sing songs, narrate stories, and generally make use of her female tenderness to ease the warrior-comrades. The warriors called her the Mongolian lark of the southern borderland. When the soldiers were to go off to the war front they would sing for her a parting song and she would stand at attention and listen in tears. On one occasion, she donated a lot of blood for a blood transfusion for one of the wounded. Subsequently, this patient earnestly sought to know her name and found to his despair that she had died when a mine exploded. The wounded soldier was deeply grieved. He wrote in his diary: "Dear comrade-in-arms: We have merged into one. From now on, I shall fight as two persons and shall have two pulsating hearts to live in this world."

It was sad! It was heroic and it was beautiful! The days and nights I spent at the front were exhilarating beyond description. I saw from the persons of these young soldiers who had given willingly but asked for little or nothing in return something which could be aptly called the people's soul or soul of the nation. It is true that this place is a small piece of scorched land not worthwhile noticing out of a total national area of some 9.6 million square kilometers, that this number of fighters is but a tiny minority of a large country with a huge population of 1 billion people, and that the scale of fighting that has been going on here is nothing in comparison with our country's revolutionary wars in the past, but the safety, welfare and happiness of people of the whole country are closely linked with these warriors' bloody battles, wounds, and sacrifices. It is the undeniable duty of army artists like us to depict the wartime lives, thoughts, and sentiments of those who sacrifice themselves, to figuratively make known to people of the whole nation their relationship with them, and to link up the feelings between these two parties. Although people's demands of art are diversified and various, and people are now more inclined to exercise aesthetic judgment and to seek amusement and entertainment from the productions of art, yet we should see that, just as people wish to drink when thirsty, invariably they will go after things that are scarce in actual life. The sharp contrast between a partial war and a nationwide peaceful environment, the moving deeds of the hundreds and thousands of heroes who have surged forth in the course of the war, their highly respectable outlook on life, on value and on virtue, and the pure and beautiful man-to-man relations that are displayed between them precisely have the possibility of meeting these demands. And this is the attractive power solely possessed by the creations of the army artists.

Entering deep into army life on the war front in the southern border region has opened up my artistic perception which for a time had sunk to a low level. My creative desire came surging up like a gushing current and could not be stopped. The drafts of scores of paintings which I put on display in the exhibition were mostly done in the foxholes. Aside from depicting battle scenes, my paintings mostly described people's inner feelings. My paintings "In the Bush Forest" and "Moonlight in the Southern Border" depicted the determined and responsible spirit of the warriors and their optimistic attitude of life; the paintings "Go With Your Mind at Ease," "Heart's Murmur," and "This Way to the Frontline" denoted love between mother and son and the warm feelings between soldiers and civilians. They warmly eulogized the truthful and upright man-to-man relations in a war of righteousness. Two other paintings, "March Off to War (No 6)" and "Warm Feelings Between War-Comrades," based on and created from the episode of the member of the shock brigade and the young nurse were able to draw rather strong reactions from the general public and were given the honor of being bought and kept by the Chinese Academy of Art.

In the visitor's book at the exhibition the much-aroused and excited public have written these comments: "Long live true realism" and "Paintings drawn with fresh blood and life not only will leave their mark on the script and canvas but will also be remembered forever in the minds of the people." This represents the public's high affirmation of our direction of creation which penetrates deeply into life. Confronting the successes of the art exhibition I reflected repeatedly on the path of my own creations. In the past, under the influence of the "leftist" ideas of art creation, we always brought along units of the main forces in our search for life topics and while life topics should serve as sources for art creation they actually became tools and scenes reflecting the main forces. As a result of the sparse exchange of sentiment with the warriors, the productions were false, shallow, and empty. The reasons why these productions lacked vitality and influence were not because they had not contacted, or displayed, life, but precisely because they had not truly and deeply gone into life and really reflected life. But this time we not only went to the frontline and took part in rendering services within our capacity in the war area but also went deep into the midst of the soldiers, had heart-to-heart talks with them and made friends with them. On their part, the soldiers treated us as their close friends, told us the secrets in their hearts and opened wide to us their minds. In particular, after we had personally experienced the trials of life and death and gone through the torments of the horrid heat we literally were merged into one with the warriors in thought and in sentiment. Thus, we not only could understand from the outside the heroic acts of the warriors but managed to enter into an unlimitedly wide spatial environment, that of sentiments and feelings. Here, we can see the myriad threads of love and passion generated in the processes of life and death, separation, waiting and anticipation, entrustings and remembrances between husbands and wives, mothers and sons, lovers and comrades-in-arms. Here, we can feel the true and intimate feelings between the individual and the state and between the individual and the collective, the supreme product of the beautiful man-to-man relations purified by the exceptionally difficult natural environment and the cruel struggles against the enemy. Here are the intense struggles between life and death, grief and happiness, contributions and forceful acquisitions. And here, in close union with hills and rivers everywhere and allied with people's hearts everywhere, a close-knit network has been formed of the common sentiments of the soldiers, the artists, and the populace. All this is a generous gift which life has bestowed on the artists and is something which the artists should treasure to the utmost. Precisely in the course of entering deep into the lives of the soldiers on the frontline, we have received all this which in turn has been duly reflected in our works. Hence, by means of our painting tools, we have opened wide the gates of feeling of the populace.

Life is the sole source of all forms of artcraft including the fine arts. From now on, no matter how wide the scope of the exhibition of the creations of fine art or how greatly renovated are the exhibition methods, this basic principle will never become outdated. In the past, under the influence of "leftist" ideas of creation, fine arts works were not allowed to reflect the individual's thoughts and sentiments but now this ban naturally no longer exists. However, this does not mean that the artist can confine himself to the studio and engage in "expression of one's self," in isolation from the populace and from realistic life. This is because after all art is a medium of the exchange of feelings. It needs to be seen by people, to be understood by people and the power of its evaluation lies ultimately in the people's hands. Self which is diverted from life can only be a poor, empty and narrow self and creations coming from a self of this kind can hardly generate any strong feelings and sympathy from the populace. Frequently, there have been certain productions which people viewed with puzzlement, not knowing their meaning. They were mostly from the pens of those who had supported "self expression." Hence, I believe that comrades wishing to be creative and contribute to the theater of art must first pack up their painting kits to go to the midst of red-hot life. There they can discover many many things more worthy of expression than one's self. They will gradually form a rich, substantial magnanimous "self"--one that is in intimate contact with the people. By so doing, their works will have influence and can win the people's acknowledgement.

On the several days of the exhibition, along with my excitement and meditation were endless remembrances. I thought of the highly respected and much-loved warriors who had been the principal figures of my works. Many among them are now in their eternal sleep in the thick bushes of the southern border. One spectator rightly said: "Warriors' warm blood has truly created the immortal works of the artists." Indeed, compared with the warriors who have made history with their souls, flesh and blood, my pen in painting is blank and powerless and cannot express even to a minute degree their spirit and my respect for them. The only comfort I can have is that when they composed the heroic historical poems with their flesh and blood, from beginning to end I was holding my painting kit and standing alongside them.

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CSO: 4004/64

IN THE COURSE OF REFORM, CONSIDERATION MUST BE GIVEN TO BOTH IMMEDIATE INTERESTS AND LONG-TERM INTERESTS, PARTIAL INTERESTS AND OVERALL INTERESTS

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 40-44

[Article by Wu Kaitai [0702 0418 3141] and Cheng Xiusheng [4453 4423 3932]]

[Text] Correctly handling the economic interest relationships of various sides is an important condition for guaranteeing the smooth carrying out of economic structural reforms. In the process by which new systems are replacing the old, because the various economic interests are changing and the rational deployment of new interest relationships has not yet been arranged, it is inevitable that various types of friction and various contradictions will arise in interest relationships. A tendency which arises quite easily is that where attention is only paid to immediate interests and partial interests, long-term interests and overall interests do not have attention paid to them. Thus, we must fully recognize the necessity during the reforms of giving consideration to both immediate and long-term interests, partial and overall interests, and consciously arrange well the relationship between the two sides.

Reform Embodies the Basic Interests of the People of the Whole Nation and Provides the People With Visible Material Interests

In order to realize the overall tasks and strategic goals of the new historical period, we must carry out reform of the economic structure. This is because the existing structure relies solely on administrative measures to carry out excessively centralized management, overlooks the relatively independent economic interests of enterprises, does not pay attention to the individual material interests of laborers, and denies the important role of the law of value. This has caused enterprises to lack appropriate vigor and inhibited the enthusiasm of enterprises and laborers, and thus is not of benefit to the development of the productive forces. The economic structural reforms must sweep away the obstacles to developing the social productive forces and eliminate the long-standing problems in the existing interest relationships, so that rational relationships are established between interests, the enthusiasm of the millions of laborers is motivated, and socialist modernization is speeded. In this way, we will be able to reach the goal of a prosperous and strong nation and a prosperous and happy people. Thus, when we say that reform embodies the basic interests of the people of the whole nation, it is where the hopes of the Chinese nation lie for soaring high.

Reform not only accords with the basic interests of the people of the whole nation, but following the development of production is also able to provide the people with visible material interests. Practice over the last few years has fully testified to this.

Our reforms started in the rural areas. The result of these reforms was to break through the situation which had existed for 20 years prior to the 3d Plenary Session of the 11th CPC Central Committee where the development of agriculture was slow and progress alternated with regression. This resulted in an unprecedented speed of growth in agricultural production. During the Sixth 5-Year Plan period, total agricultural output value (including village-run industry) saw a sustained average annual growth of 11.5 percent. The average annual per capita income of rural residents, after deducting price rise factors, was 13.7 percent, and the lives of the majority of peasants saw a marked improvement.

In the cities, over the last few years, we have taken the enlivening of enterprises as the focal point, expanded enterprises' autonomy, given due economic interests to enterprises and staff members and workers, and carried out, to differing degrees, coordinated reforms in the areas of planning, finance, labor wages, and pricing. Although these reforms have only just been implemented, they have clearly promoted the development of various industries in the cities and enlivened the urban economy. During the Sixth 5-Year Plan period, average annual growth in total industrial output value was 10.8 percent (not including village-run industry) and the markets flourished. In these 5 years, the per capita income of the families of staff members and workers, excluding price rise factors, grew at an average annual rate of 6.9 percent, and the average monetary wages of staff members and workers grew from 614 yuan in 1978 to 1,142 yuan in 1985. Staff members and workers are eating better than they did in the past and they are wearing more varied clothing. Possession of durable consumer goods has greatly increased and housing conditions have also greatly improved. All these are facts observed by the people.

Practice has proven that the reforms have truly brought the vast numbers of people many visible material benefits. As long as the reform policies and measures are appropriate, the masses' immediate and long-term interests, partial and overall interests can in general be combined and coordinated in a unified way.

Consciously Giving Consideration to Immediate Interests and Long-Term Interests and Ensuring That Immediate Interests Are Subordinate to Long-Term Interests

Naturally, during the course of the reforms, there will be times when immediate interests and long-term interests are not the same. When we adopt reform policies, we cannot in every project provide instant economic benefits for every member of the society. It may happen that some members of society get great benefits while others get few. Some measures may even require that some regions, industries, enterprises, or prople sacrifice some economic interests, but in the long-term development of our nation's economy and the sustained improvement of the people's lives, these measures will play a great role.

It is extremely important that we have a deep understanding and make full ideological preparations on these questions.

First, the reforms are to readjust various links in the production relationships. That is, they are to readjust the structure of existing economic interests. Different members of the society will have gains and losses at different times and it is inevitable that there will be differences.

For example, in order to enliven enterprises, we must give enterprises appropriate autonomy and link the remuneration of enterprises' staff members and workers with the economic interests of their enterprises so as to further realize distribution according to work. The enterprises cannot eat from the state's "big pot" and the staff members and workers cannot eat from the "big pot" of the enterprise. This reform can improve the economic results of enterprises and of the whole society and accords with the long-term interests of all the members of the society. However, after smashing the "big pots," the immediate interests obtained by different members of the society will inevitably differ. Those staff members and workers who work well will get more and those who do not work well will get less. A small number of enterprises are mismanaged and do not operate well, and in competition have difficulty existing. These should be allowed to go bankrupt and be eliminated through competition. Having the superior succeed and the inferior eliminated through competition will ensure that all enterprises improve their results and will be beneficial to the long-term interests of society. However, the staff members and workers of the bankrupt enterprises will, in terms of immediate interests, suffer certain losses. We can see that the reform measures are correct, but they cannot bring every member of society equal interests.

Second, there are many measures which need to pass through a certain period of practice before they can become effective. Before they become effective they cannot provide everybody with visible benefits. For example, freeing the prices of agricultural and sideline products is a necessary measure for promoting the production of agricultural and sideline products. However, different areas have different conditions. In some cities there were many problems in the production and circulation of sideline products. As soon as they were freed, the prices rose quite considerably. For a time, the residents of these cities temporarily received no benefits from the reforms. The benefits of price reforms often cannot be seen immediately. From the time prices are freed until production and circulation are improved, a certain period is needed. While initially there are some losses, after a period, great benefits can be gained. A few years ago Guangdong Province freed the prices of aquatic products. For a period after this, fish supply could not meet demand and prices rose dramatically. However, the price changes stimulated production and enlivened circulation, and freshwater fish-raising saw rapid development. The quantities of all sorts of fresh fish coming to market gradually grew, prices fell and moved toward stability, and the people's demands were met quite well.

Third, reform work is extremely complicated and we do not have sufficient experience. Thus, in the course of implementing the correct policies, we have met with some problems and difficulties which we could not have predicted. For example, in 1984, we decided to further reform the wage system and the banking system. The direction of reform was correct. In order to implement an overall figure for wages and link them with economic results, it was necessary to appraise and decide upon the amount of the various enterprises' total wages. Also, in order to raise the enthusiasm of banks to take the initiative in their operations, it was necessary to appraise and decide upon the amount of the various banks' total credit. Because we lack experience in this complicated work, some problems arose. Relevant departments decided that the actual total amount of credit provided in 1984 would be the base figure for total credit in the following year. In order to increase their credit base, in the fourth quarter of 1984, the banks used all sorts of methods to provide more credit, which led to a loss of control over credit and capital construction investment. At the same time, when studying the fixing of the total amount of wages for enterprises, the relevant departments planned to use the actual total wage figure for 1984 as the base for the following year. Before this was decided upon, rumors spread and, in order to increase their base, many enterprises suddenly started to issue bonuses and goods, which led to a loss of control over consumption funds. As control over credit and consumption funds was lost, it exacerbated the tight situation in terms of the supply of the means of production and consumption products, became a major cause of price rises, and the people's lives were affected to a certain degree. The appearance of such problems during the reforms is difficult to avoid. We should pay attention to the long-term interests of the people of the whole country and adopt a correct attitude.

As to the above-mentioned unavoidable situations in the course of reform, we should make full ideological preparations and have a correct understanding. In the reforms, we should do the best we can in combining long-term interests and continually provide the people with visible interests. However, we cannot require that all reform measures provide every member of the society with immediate benefits. Rather, we should accept that during the reforms different members of the society will obtain different benefits and that when necessary for long-term benefits, some members of society will have to voluntarily endure temporary losses and make sacrifices. We must place the stress on the long-term interests of the people of the whole nation and consciously take into consideration both immediate and long-term interests and ensure that immediate interests are subordinate to long-term interests.

Among a small number of people there exists the mistaken idea that the reforms are for making money. They use their individual immediate losses or gains to assess the benefits or disadvantages of the reforms, and on this basis decide on their attitude to the reforms. This type of narrow private attitude in viewing the reforms, where one only considers individual immediate interests and does not consider the long-term interests of the people of the whole nation, may become an ideological obstruction to the reforms. We should therefore help these people improve their understanding and change their ideas.

Consciously Establishing a Concept of Overall Interests and, Under the Precondition of Improving Overall Interests, Striving for Partial Interests

An important matter related to correctly handling the relationship between immediate interests and long-term interests is arranging well the relationship between partial and overall interests.

Partial interests and overall interests have a unified aspect and also have a contradictory aspect. Basically, partial interests and overall interests are the same: Activities where localities and enterprises seek partial interests can improve overall interests and can promote national economic development. The improvement of overall interests can also bring appropriate benefits to all the parts. However, this is not to say that the two are completely identical. If we only stress overall interests and ignore partial interests, it will be difficult to motivate the enthusiasm of localities and hard to provide vigor to enterprises. Thus, it will be difficult to promote overall interests. Conversely, if we only stress partial interests and do not pay attention to overall interests, it will result in macroeconomic controls not working properly and in the friction between different parts and between the parts and the whole being exacerbated. The whole will be harmed, in which case it will be difficult to maintain the interests of the parts. In the past, our nation's economic management system was excessively centralized and the major problem in the contradiction between partial and overall interests was that the partial interests were overlooked. In the last few years, in the reform of the economic structure, we have set about changing the excessively centralized management system and paid attention to considering the interests of localities and enterprises. For example, in reforming the graded management system of financial administration, conditions were created whereby localities could bring their enthusiasm into play and, at the same time as expanding enterprises' autonomy, we implemented profit-sharing, replaced profit delivery with tax payment, revived the bonus system, implemented floating wages, and more. Thus, the economic interests of the enterprises received definite concurrent consideration. In such a situation, it is easy for the problem to arise whereby excessive stress is placed on partial interests and overall interests are overlooked and encroached upon. Thus, we must strengthen our concept of overall interests and raise our consciousness in protecting and promoting overall interests.

First, state interests are the core of overall interests. Locality and enterprise vigor should benefit protecting and promoting the interests of the state. We are a developing socialist state and the state must centralize the necessary financial means for use in basic facilities such as energy, transport, and communications, as well as in major construction projects and other key construction. These are state interests but are also the interests and common demands of all the parts. If this is not done, it will not be possible to create, for all the parts, a social environment beneficial to development, and it will not be possible to provide good external conditions for enterprises' production and operations. If the state's interests are harmed, it will ultimately result in the interests of all parts being harmed. For example, under the current system, the economic interests of enterprises are centrally reflected in increased profit retention, an expansion of their own funds, and increased income for staff members and workers. However, this is only carried out on the basis of improving the economic results of the enterprises, and is realized only by improving operations management, raising product quality, reducing costs, and increasing profits. Thereby the state's income increases and the enterprises obtain benefits. These are appropriate interests obtained on the basis of protecting and promoting state interests. However, there are a small number of people who do not do things in this way but engage in crooked practices and use the method of harming the state's interests in order to increase their own unit's interests. Only when roots are deep can there be dense foilage and only when the trunk is firm will the branches flourish. Thus, harming state interests in order to seek interests for one's own unit weakens the power of the state and harms the social conditions required for enterprises' development. In the end, the interests of the enterprises and staff members and workers will not be guaranteed.

For example, some enterprises intercept and retain state income and generally use it to provide bonuses or goods to workers, and this increases consumption funds. However, an increase in consumption funds must accord with the capacity to supply consumption products. If the growth is too great and exceeds the capacity to supply consumer products, the market will become tight, leading to price inflation. When prices rise, money loses value. This means that there is an indiscriminate increase in the amounts issued to everyone in bonuses. It may happen that some of the price rises are offset by the increased bonuses, but the majority of the people will not get much material benefit. Rather, such activities increase the factors of instability in economic development and delay the process of reform. It can be seen that any action which harms the interests of the state is not beneficial to enterprises or individuals.

Second, overall interests are the social sum of the various partial interests. No part should harm another part in order to improve its own interests. For example, the process of reform requires an open market, an enlivened economy, and the establishment of lateral economic relationships. Different regions and different enterprises should, on the basis of mutual interests, carry out economic cooperation and gain common benefits. However, some regions are using various measures to lock their markets and seal off their raw materials. They do not let outside products in and do not let their raw materials out. Thereby, they have artificially cut the relationships of economic coordination and the channels for commodity flow. There are others who blindly set up small enterprises which have backward technology and which produce low quality products at a high cost. This leads to a situation where the backbone enterprises which have advanced technology, high product quality, and low production costs cannot bring their functions into play since they lack raw materials. Thereby, abnormal phenomena arise whereby the small squeeze out the large, the poor quality squeeze out the high quality, high prices squeeze out low prices, and production outside the plans squeezes out production within the plans. Although doing things in this way can temporarily improve the interests of a locality, the losses brought to other localities far exceed the benefits gained by that locality. Seen from an overall view, the benefits do not compensate for the losses. In the long-term view, this protects the backward and will in the end delay and obstruct the economic development of the locality.

Third, efforts to promote partial interests must be made within the scope allowed by macroeconomic controls and must adhere to the implementation of macroeconomic decisions. The development of the various sectors of the national economy are inevitably restricted by the various overall quantitative relationships. The overall scale of investment in fixed assets must accord with the overall level of national strengths, the overall production capacity for a certain type of product must be coordinated with the total demand for that product in the market, and there must be comprehensive balances between the growth and allocation of state income and in the areas of finance, credit, foreign exchange, and materials. These overall quantitative relationships reflect objective laws and they are direct and untranscendable limits for the whole national economy. Because individual parts are not directly subject to the restrictions of overall quantitative relationships, their activities often exceed the limits which the restrictions of overall quantities can bear. For example, in order to develop the economy of their own area, all areas want to expand the scale of their capital construction and wish to develop high price, high profit products. Within limits, this is rational. However, if, when combined, the scale of investment in capital construction in the various areas exceeds the limits which national strengths can withstand, and if the combined production capacity for this type of product exceeds the market demand for this type of product, it will give rise to a loss of control over the scale of capital construction, blind construction, and duplicated construction. This will provide a tightness in the supply of funds and raw materials which will lead to a dislocation of rational economic relationships. Thus, it will produce difficulties in the development of the entire national economy and the economies of the various localities will not be able to develop smoothly. Overexpansion of investment in capital construction has been a major problem in economic development in our nation over the last few years and is a major factor in the many setbacks suffered in our economic construction. It has also been a major obstacle to stable economic development over the last 2 years. We must properly handle the contradictions between the desire of the various areas to develop quickly and the state's overall strengths, so that the partial interests of the localities and the overall interests of the state are suitably combined. The central authorities must make overall plans, take all factors into consideration, and strictly control the scale of capital construction. The localities should pay attention to overall interests and firmly implement national macroeconomic decisions, so that local interests are subordinated to overall national interests.

in the process of reforming the economic structure, there objectively exist contradictions between partial interests and overall interests. If we make overall preparations first and give consideration to all sides, we can avoid some faults and reduce friction to some degree. However, it is impossible to have no contradictions. This requires that the people of the whole nation establish a concept of overall interests in prime position and properly arrange the relationship between partial interests and overall interests. In this regard, the responsible persons of the various localities and various enterprises shoulder a heavy task and should play a model role. In the same way as the outstanding socialist entrepreneurs such as Ma Shengli [7456 0524 0448] and Zhang Jieshi [1728 3381 0013] and others, they should act as models in correctly handling the relationship between partial interests and overall interests. Comrade Ma Shengli said: "When enterprises have autonomy, they should make a contribution to the state" and "I also advocate that factories retain more and that staff members and workers get more, but this must depend on them working more and creating more. Cheating the state to attain short-term gains is wrong." The late Zhang Jieshi, manager of the Changcheng Rainwear Company and a scrupulous and honest reformer, from beginning to end scrupulously abided by his own precept: "Not doing anything which cheats the state, not doing anything which is of private benefit at public expense, not doing anything which violates policy, and not doing anything which exploits loopholes during the reforms." In arranging the interest relationships between the state, the enterprise, and the staff members and workers, he "supported the three sides and considered the situation from all aspects." In regard to the state's interests, he adopted the policy of "necessary guarantees"; in regard to the enterprise's interests, he adopted the policy of "reserve strength"; and in regard to the staff members and workers, he adopted the policy of "surplus grain." He was also ready to use strengths to make up weakness. These correct attitudes are worthy of our study.

Correctly handling the various interest relationships is an important condition for the smooth carrying out of our reforms. If this matter is handled well, it will alleviate the friction in the various interest relationships, better motivate everybody's enthusiasm, and reduce the obstacles to reform. Thus, the people of the whole nation will obtain more benefits from the reforms faster and we will be better able to promote and advance the economic structural reforms which have great historical significance.

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CSO: 4004/64

IS THE PUBLIC OWNERSHIP ECONOMY STRENGTHENED OR WEAKENED IN THE COURSE OF REFORMING THE ECONOMIC STRUCTURE?

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 44-45

[Article by Wang Yongjiang [2769 3057 3068]]

[Text] At the present stage of our country, the socialist public ownership system has two forms: One is ownership by the whole people; the other is ownership by the collectives. Since the 3d Plenary Session of the 11th CPC Central Committee, based on the actual conditions of the productive forces in our country and by means of extending the enterprises' autonomous power and establishing various forms of the economic responsibility system, the strong points of the public ownership economy have been further displayed. Simultaneously, we have restored and developed the collective ownership economy in the townships and towns and, within a definite sphere, the individual economy and the Sino-foreign joint-venture economy. The existence of the components in diversified forms of the ownership system with the public ownership economy as the center is suited to the level of the development of the productive forces at the present stage of our country. It promotes the rapid development of our country's economy. In the course of reforming the economic structure, the public ownership economy has been strengthened and not weakened.

First, industrial enterprises under the public ownership system have developed greatly. For example, in 1978, under the public ownership system there were 83,700 industrial enterprises and under the collective ownership system there were 264,700 industrial enterprises. In 1984, the number of enterprises under the public ownership system had grown to 84,100, while the number of enterprises under the collective ownership system was 352,100. The original value of the fixed assets of enterprises under the public ownership system has also made a relatively large increase. In 1978, it was 448.82 billion yuan, whereas in 1984, it was 683.32 billion yuan. Seen from the condition of the fixed assets investments, in 1984, the total volume of fixed assets investments of whole society was 183.287 billion yuan, of which that of the whole people ownership system was 118.518 billion yuan, or 64.7 percent, and that of the collective ownership system was 23.869 billion yuan, or 13 percent. Adding the two together, the gross volume of fixed assets investments under the public ownership system was 142.387 billion yuan, making up 77.7 percent of the total investments of whole society, whereas investment by residents in the townships and towns was 40.9 billion yuan, making up only 22.3 percent, of which over half was on residential construction.

Second, the agricultural collective ownership system has been consolidated and developed. Since the development of agricultural cooperatives in our country, the collective ownership economy as a form of the public ownership economy has occupied an extremely important position in the whole national economy. However, under the guidance of "leftist" thinking, it is conceived that the larger and the more publicly owned the enterprises, the more advanced they are, and no consideration is given to the conditions of the development of the productive forces but all efforts are devoted to raising the status of the ownership. As a result, this has not helped in displaying the strong points of the collective economy. Since the 3d Plenary Session of the 11th CPC Central Committee, the whole party has summed up the historical experiences of the forming of agricultural collectives, liberalized and enforced various economic policies in the rural areas, carried out the system of contracted responsibilities with payment linked to output, and overcome the "leftist" errors. All this has become all the more suited to developing the level of the agricultural productive forces and arousing the enthusiasm for production on the part of the broad masses of peasants. Agriculture not only has supplied more agricultural products to the state, to the cities and towns, and to foreign trade and increased the peasants' income, but has also opened up a vast market for the light and heavy industries and enabled the exchange of urban and rural commodities to become daily more thriving, thereby promoting the development of the socialist economy. Proportionately, although collective ownership of the means of production has declined in varying degrees, yet because land is under public ownership and cooperatives and joint ventures which are suited to the development of the productive forces have been daily developing, the public ownership economy is still playing the leadership role.

Following the enforcement of the policy of opening to the outside world and internal invigoration, laborers' individual economy, Sino-foreign joint-venture economy, and even private economy have also developed rather swiftly. This has played an important role in enlivening our national economy and promoting the vigorous development of the public ownership economy. As supplements to the public ownership economy, these component parts of the economy have also promoted the improvement of the people's standard of living. And because they occupy a relatively small ratio of the whole national economy, they have produced no adverse effects on the leadership status of the public ownership system. If we look at the changes of the various economic forms in the gross output value of industry, it is found that in 1979 the gross industrial output value of the public ownership economy was 459.1 billion yuan, or 100 percent. In 1984, following the development of the other economic forms, it was 703 billion yuan, or 98.6 percent; that of individual economy was 1.48 billion yuan, or 0.2 percent; and that of other forms, 8.61 billion yuan, or 1.2 percent. In 1984, the number of staff members and workers under the system of ownership by the whole people was 86.37 million people, that under the system of collective ownership was 32.16 million people, and that under the joint-venture economy, 370,000 people. Thus, it can be seen that socialist public ownership economy has maintained by far the supremacy.

Before liberation, our country was a semifeudal and semicolonial society and the economy was extremely backward. After liberation, following over 30 years of socialist construction, a relatively integrated industrial structure has been established and the productive forces have developed greatly. However, taken as a whole, our country is still rather backward in science and technology, it is still not sufficiently developed, the level of the productive forces is still relatively low, and, especially among the various regions and departments, development of the productive forces has been uneven. Thus, objectively speaking, the existence of diversified forms of the ownership system is necessary. To allow the existence of a definite amount of nonpublic ownership economy has an important significance in arousing the enthusiasm for developing production on various sides, in helping to handle the employment problem and making accumulations for the state, and in utilizing foreign capital and introducing advanced technology and management experience. Hence, it is true that following the reform, the proportion of the public ownership economy may have been reduced slightly but by and large it is still possible to better concentrate the forces on developing commodity production needed by the whole society and to improve the economic benefits. As for the other forms of the ownership economy, if only we can formulate and perfect correct policies, statutes, and systems; strengthen management and control; and make use of economic levers to guide and to regulate, they can surely develop in the direction of being beneficial to socialist construction.

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CSO: 4004/64

WHY DO WE SAY THAT THE ESTABLISHMENT OF A NEW SOCIAL SECURITY SYSTEM IS AN IMPORTANT ASPECT OF THE REFORM OF THE ECONOMIC STRUCTURE?

Beijing RED FLAG in Chinese No 15, 1 Aug 86 pp 45-46

[Article by Gao Zhenrong [7559 2182 2837], Ma Xueli [7456 1331 3810], and Chen Wangtao [7115 2598 3447]]

[Text] A social security system is a system in which citizens of a nation, when meeting with difficulties in life in their old age, sickness, disaster, loss of labor power, or other causes, can obtain material aid from the state or society. It generally includes social insurance, social welfare, and social relief, and so forth, of which social insurance is the nucleus.

Social security and economic development are closely related. The degree of socialization of social security is an important yardstick for measuring the level of a country's economic development. Since the promulgation and enforcement in 1951 of the "PRC's Labor Insurance Regulations," the labor insurance system of our country has gone through several revisions and many additions, the sphere of its operation has gradually expanded, and enterprises under the system of ownership by the whole people and a portion of enterprises owned by large collectives have successively established the labor insurance system. A number of enterprises owned by small collectives, in accordance with their own economic conditions, have also enforced, in varying degrees, labor insurance. Over the past 30 years, enforcement of our country's labor insurance system has provided basic security for the livelihood of staff members and workers in their old age and sickness. It has demonstrated the party and the government's concern for the people, and also the superior nature of the socialist system. However, the current social security system still has many imperfect and irrational points. In particular, following the intensive development of the reform of the economic structure, the establishment of a new social security system is an important aspect in coordinating the reform of the economic structure.

Establishment of a new social security system is beneficial to strengthening the vitality of the enterprises and facilitating the smooth progress of the reform of the economic structure. The existing retirement system stipulates that the retirement funds should be expended as extra-business expenses of the enterprise and that the enterprise may report the exact amount spent in this regard for auditing purposes. This has brought about an inequality in treatment between the new and old enterprises and in their burdens. In some of the older enterprises the ratio between the number of staff members and workers in active service and those who have retired is 2:1, or even 1:1, and their expenses on retirement funds are as high as 30 to 40 percent of the total volume of their salaries and wages and in some cases may even surpass the total volume. On the other hand, because in the new enterprises the number of old employees is small, the burden of retirement expenses is naturally much lighter. If, in the course of the reform, a new social security system is established and "enterprise insurance" is changed to "social security," with society taking full charge of the retirement funds, this will lighten the burden of certain enterprises and provide for the various categories of enterprises a relatively fair competitive environment. It will also strengthen the vitality of the enterprises and facilitate the smooth progress of reform of the economic structure.

Establishment of a new social security system is beneficial to the reform of the system of labor employment and facilitates the rational development of diversified economic forms. A social security system is society's "stability tool." In the reform of the economic structure, because the reform of the social employment system breaks the old pattern of the centralized allocation of labor power, the labor department, under the unified planning and guidance of the state, enforces the system of the combination of introduction of jobs, organizing voluntarily to seek, and looking for job by one's self, thus encouraging the development of collective economy, cooperative economy, and individual economy. In the form of labor employment, diversified forms will crop up such as staff members and workers in formal employment, contractual labor, temporary labor, and so forth. This necessitates the formation of a new social security system that is in line with the above-mentioned reform, so that the diversified kinds of employees and workers of the various economic forms can enjoy the necessary social security; otherwise, the new labor employment system cannot be perfected or developed. In addition, for the purposes of facilitating competition and making the enterprises improve their operation and management and improve the economic benefits, our country is now formulating a bankruptcy law. This is a big and important step forward in reforming the economic structure. In coordination with this, it is urgently needed to establish a social security system for employees and workers awaiting employment. Only by so doing is it beneficial to social stability and unity, enabling the new economic structure to fully display its role in developing the social productive forces.

Establishment of a new social security system is beneficial to transforming the appearance of the poverty-stricken regions and realizing joint affluence. Since enforcement of the reform of the economic structure, our country's economy has developed rapidly, but in regions of the "elderly, young, destitute, and poor," life still meets with difficulties; in the rural villages, social security for the disabled, widows, widowers, solitary elders, and destitute households is still not in perfect order. Although each year the state has spent considerable sums on relief, basically transforming the poverty-stricken situation by means of relief has not accomplished its purpose. In recent years, the civilian affairs developed to help the poor families and kin of revolutionary martyrs in the rural villages as an important item of social security. This has played a good role in transforming the former situation. Establishment of a new social security system on the one hand protects the basic livelihood of the distressed households in the distressed areas; on the other hand, it assists the poor and distressed who have the lower power to carry out production and self-relief, to shake off poverty and gain affluence, and to achieve the objective of common prosperity. Undoubtedly, this has important significance in the current reform of the economic structure and the four modernizations program.

Establishment of a new social security system will promote reform of the current social security management structure. The existing social security system does not have a unified management structure. Many departments issue the administrative orders, many heads are in charge of management, and the organic body of social security is literally cut into separately unrelated pieces. Establishing a unified structure or control center to take charge of social security functions is an important constituent part of transforming the management functions of the whole government structure. It will take unified charge of planning the whole country's social security work, grasp the policies, coordinate the organization, and render services. Macroeconomic unified planning is not tantamount to the state taking sole and complete charge but means, simultaneously with fully marshalling and employing society's forces on various sides and putting into full play the political power at the grassroots level, the enforcement of a management structure which integrates socialized management and unital management, with the former as the center.

Summing up the above, establishment of a new social security system is an important condition in ensuring the smooth progress of reforming the economic structure and is a fundamental measure for social stability and the long reign and prolonged peace of the nation. It needs to be coordinated with the progress of the reform of the economic structure.

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CSO: 4004/64

ANALYZING 'CONDITIONS'

Beijing RED FLAG in Chinese No 15, 1 Aug 86 p 47

[Article by Ma Hongtu [7456 1347 0956]]

[Text] I recently read a poem by Comrade An Ling entitled "A Pungent Poem" about asking for terms first. It says that there is a small number of cadres who should have retired but will not retire for a long time. This is not because they want to do more work, but because they ask for terms to be fulfilled by the organizations before their retirement.

The number of these veteran cadres is very small, but since there are indeed such cadres, there is nothing wrong with "sneering" at them. In fact, there are such cadres at all levels and also among cadres who are not veteran cadres who are soon to retire. For example, some cadres say when their jobs are transferred: "I will go to such and such a unit, but will not go to so and so unit." For another example, when we send cadres to the basic level, some will say: "I will go to the basic level, but only to do a job of the same nature and level as my current one." For still another example, when we assign jobs to cadres, some will say: "If there are not enough official posts, I can be left out, but I must enjoy the treatment for an official at a certain level." Perhaps, these instances are common around us.

Consciously obeying the arrangement of the organizations in the light of the requirements of our work is the party spirit and discipline that a party member must follow, a basic qualification for a party member, and a fine tradition of our party. We all know well the moving deeds of our revolutionary martyrs. Even for a fairly long time after the revolution, we acted satisfactorily in this sphere. "A revolutionary fighter is a brick that will be willingly moved by the party to any place." "Where we are asked to go, we will pack our things and set out." These sayings were very popular and were practiced by people at that time. Even today, have the "new generation of the most beloved people" asked the party to do anything for them when they were suffering difficulties in ditches and fighting bloody battles on battlefields? Martyr Cai Jinhua said well: "The value of a serviceman cannot be measured by money. I would not stay for even 1 more day at the front at Laoshan even if you paid me several thousand or even tens of thousands yuan. But for the sake of our motherland, I am willing to fight here for a long time and even to die here!" When a man ignores his personal gains and losses and puts the interests of the people above everything, his aspiration is so lofty that he will feel very seriously insulted if he is told to ask for terms from the party!

Of course, we are materialists and should not negate all the practice of asking for terms indiscriminately. As the leader of an organization, he should create and provide necessary conditions for the work and livelihood of our cadres. However, our cadres themselves should not ask for irrational terms as the preconditions for working for the party. Some cadres seldom want to "be the first to suffer hardship or be the last to enjoy comfort." They always consider their personal gains and losses first in doing anything. They rush to do what benefits them, but avoid doing anything unfavorable for them. As soon as they are asked to do something they do not want to do, they will ask for many terms. They want everything but the practice of satisfying the qualifications of party members. How do they fall short of the requirements for party members?

We should say that in reality, there are indeed some irrational practices. "Those who loaf are better off than those who do their jobs, and those who create trouble by asking for terms are better off than those who loaf." To some extent, this aggravates the malpractice of asking for terms. On the other hand, we should also say that the "Great Cultural Revolution" has undermined our party's fine tradition and was therefore the major cause for this unhealthy practice.

There is reason for this malpractice, but after all this is not a practice that a party member or cadre should conduct. I think that if these comrades can often think about the qualification for a party member, they will no longer ask at will for irrational terms to be fulfilled by the party and organizations. Then our party organizations will have greater combat efficiency, our cadres will set better examples for the masses of people, and it will be easier to do our work.

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CSO: 4004/64

THE NEW CHARACTER AND MORALS OF SWIMMERS OF THE TIMES--READING THE NOVEL 'TURBULENT CURRENT'

Beijing RED FLAG in Chinese No 15, 1 Aug 86 p 48

[Article by Wang Bisheng [3769 1801 0524]; "Turbulent Current" published in XIAOSHUO [NOVEL] No 4, 1985 and reprinted in ZHONGPIAN XIAOSHUO XUANKAN [A SELECTION OF MEDIUM-LENGTH NOVELS] No 3, 1986]

[Text] Literature is a product of the times. When the waves of life hit the river bed of history, literature must respond. Workers of different types flourished in the literature garden of the new times where flowers compete for their beauty and glare people's eyes. However, what attracts the concern of readers more are works that carry the dew of life and respond timely to the pulses of the times. Perhaps it is this particular point that catapulted Lin Jinjia's [2651 4842 0857] "Turbulent Current" to success. "Turbulent Current" puts life under the focus of art and injects into the placid tunes of recent works on the subject of reform a strong and loud melody. It is therefore rather natural that it has attracted response from readers immediately after its publication.

The time is the end of the seventies. The land of China is experiencing an impressive reform. Ding Yi, a cadre transferred from the Army, arrives at the Nanhua Gear Factory as party secretary. He accepts the appointment at a time when the enterprises are facing crises and insists on reforms in a drastic and decisive way. As the first step, he introduces TQC (that is, Total Quality Control) and successfully transforms the factory from a mediocre factory to an advanced enterprise. Later came the time when there were adjustments to the national economy and temporary control was imposed on machinery production. His factory faces the fate of closure, suspension of production, amalgamation, or switch-over to other lines of production. Against all others' advice, he participates in the province's experiment of replacing profit with tax and self-responsibility for profits and losses. For this he mobilizes all the people in the factory to endeavor in sales activities and turns the factory into a production-management type of enterprise from a pure production enterprise. Having started on the forward track, he continues to introduce new tactics and links up two "stalled" factories in the city with two factories that manufacture spare parts for agricultural machines in the adjacent province and establishes a trans-provincial "Nanhua Gear Joint Corporation." The process through which the factory recovers from bad times and changes from mediocre to advanced is a microscopic version of drastic changes the many enterprises have undergone after the reforms in the economic system.

The author does not intend to unveil a tedious historical process, which is the concern of the economic historians. He describes the difficult struggles in undertaking reforms and the ability and talents of the reformer and his brave personality. The three "dictatorial decisions" of Ding Yi and his "adventurous spirit" are perhaps open to criticism, but he has the force of character of modern reformers: When fighting a battle, a decision must be made immediately and decisively when you have a 70 percent confidence of success. He therefore disregards the allegation of "putting the individual above the organization" and has the courage to be personally responsible and implements a series of strict reforms.

While facing hesitant, conventional, slanderous and other forces which held up the reform, he clings to the belief that the bow, while raised, would have to release an arrow powerfully. It has been proved that, without the never-look-back spirit and the open-mindedness of disregarding people's criticism, and without the courage to break through the bondage of long-established social psychological habits, a reformer will never be able to succeed. Unlike other reformers such as Qiao Guanpu, Ding Yi devotes his life to reform and takes the risk of undertaking reforms. He is also able to grasp accurately and see clearly the historical process of reform. He has strong will but quick wit and wisdom. When the reform shows progress toward success, he understands clearly the urgent need to replace the old with the new and clearly hears the fervent call for stepping up the democratization process for reforms. He therefore focuses his attention on developing new blood and sets the example by giving up his position to the capable. This act demonstrates the ability and talents of a reformer in a broader political perspective.

If Ding Yi is respectable in breaking through restraining forces, insisting on reform, and going forward courageously, he is more admirable in taking the initiative to give up his position, withdrawing himself without hesitation at a time when most others are hesitant and unwilling to give up their high positions. However, one cannot help feeling upset to see that things like selecting the capable and the talented and giving up the position to them would have to be done in a "dictatorial" way. Nevertheless, the character of Ding Yi, which the author creates in a strict yet faithful way, gives us encouragement and expectations. We can see clearly from the series of concepts in the personalities and way of thinking of Qiao Guanpu and Ding Yi that life is progressing forward and the literature writers are having a better and deeper understanding of life.

It appears that the author has been too much confined to describing the original form of life. This results in the first half of his work being too descriptive and lacking in imagination. There is also a lack of depth in the characters' way of thinking and their behavior. Nevertheless, this novel excels in being forceful. Against the stale and unhealthy psychology of society and the old malady, the sharpness and stalwartness of Ding Yi trumpets a loud and powerful tune for those who strive for the laudable reform.

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CSO: 4004/66

CHARACTERISTICS OF THE BOOK 'LEGAL SYSTEM, DEMOCRACY, AND FREEDOM'

Beijing RED FLAG in Chinese No 15, 1 Aug 86 inside back cover

[Book review by Li Maoguan [2621 5399 4619]]

[Text] The book "Legal System, Democracy, and Freedom" that has recently been published (by the Sichuan People's Publishing House) is a collection of Comrade Li Buyun's theses on the general principles of legal system and democracy. Comrade Zhang Youyu, a well-known jurist, writes the following inscription for the book: "Deepening the study of the major theoretical and practical issues in building up our country's legal system and publicizing among our vast number of cadres and masses the Marxist views on legal system and democracy are important tasks for legal science theoretical workers." The book is actually the heartening achievements that the writer has scored in striving to apply the basic principles of Marxism in studying and carrying out research into some major theoretical and practical issues concerning the four modernizations and the establishment of our legal system.

The first characteristic of the book is that it conducts research into major theoretical issues by following closely the development of the times and closely in the light of the reality. What the book touches on is all the theoretical problems that are of great guiding significance for the development of democracy and legal system in China under the new situation. For example, the issue of adhering to the principle of all citizens being equal in the face of law, the issue concerning the relationship between policies and law, the issue of intensifying our legislative work and perfecting various sections of law, the issue of safeguarding the supreme authority and dignity of law, the issue related to the socialist legal system, the issue concerning the development of a socialist legal system with Chinese characteristics, the issue of developing a high degree of democracy, and so on.

All these are theoretical issues of the science of law that urgently demand solution that have emerged in our country's four modernizations and in developing and practicing democracy and legal system in our country. To various extents, this book quite correctly expounds on these major issues from a theoretical point of view and puts forth quite a few useful views.

The second characteristic of the book is that under the guidance of Marxism-Leninism-Mao Zedong Thought, the book has made brave explorations with an emancipated mind. The book shows that stimulated by the spirit of the 3d Plenary Session of the 11th CPC Central Committee, the writer has emancipated his mind, adhered to the principles of proceeding from reality in doing everything, seeking truth from facts, and linking theory with practice, conducted a profound research into the various new situations and problems that our country has encountered in carrying out its four modernizations program and developing its legal system and democracy, and bravely carried out valuable trial exploration. For example, concerning the issue of supervising the administration of law, no textbook on law in the past has even specially expounded on it. In our practice, this issue has not yet drawn sufficient attention from among our vast number of people. The writer expounds on five aspects of the major features of the suggested system to supervise the administration of law and gives his constructive opinions on the way to intensify an overall supervision of the administration of law. For another example, the traditional view on the issue related to the system of law, holds that the system of law is the total sum of the current law and rules in a country. The writer does not restrict himself by this traditional view and holds that the system of law should be founded on the basis of the existing law, but at the same time requires that sufficient consideration should be given to the internal and organic integrity of law and rules including those that are being formulated or need to be formulated. The writer has summed up the following basic characteristics of the system of law: integrated contents, strict structure, internal coordination and unity in form. This is something special in this book. For yet another example, very few people have specially probed the issue of developing a socialist legal system with Chinese characteristics. The writer puts forth four theoretical grounds as the reasons for stressing this issue. He also has quite a few pithy ideas on and expounds in detail on the questions of how we are to understand and grasp the basic meaning of the development of a socialist system with Chinese characteristics and how we are to realize this goal. In addition, concerning the relationship between policies and law, the writer has summed up the important conclusions that have drawn from the discussion by our jurist circles on this issue since the 3d Plenary Session of the 11th CPC Central Committee and has given his views on some issues that have just been raised but have not yet drawn people's attention. Among these views, the view that we should not regard the party's policies as identical to state policies and the view he expounds on that the party's policies and state law each serve the other as the means and each is the other's goal are of new significance. We will not go on giving examples of everything. All these discussions are helpful to the research into and free discussion of the theory of our science of law and the development of our legal system.

The third characteristic of the book is that it does not evade practical issues and dares to criticize various kinds of erroneous ideological trends and anti-Marxist views. Quite a few of the articles in the book were written purposefully to deal with actual problems. For example, to counter the erroneous ideological trend of a small number of people, in particular some young people who blindly worship bourgeois legal systems, admire bourgeois democracy, and uphold "absolute freedom," the writer adopts a clear-cut stand to make a distinction between the socialist democracy and legal system and the bourgeois democracy and system, correctly expounds on the mutual relationships between democracy and legal system, between democracy and dictatorship, and between freedom and law by means of reasoning and providing proofs, and convincingly makes an analysis to refute some muddled understanding and erroneous views. These articles are of practical significance for us in carrying out the education in socialist democracy and legal system and correcting certain tendencies of bourgeois liberalization at present.

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CSO: 4004/64 END

JPRS-CRF-86-019

9 OCTOBER 1986

China Report

RED FLAG

No 16, 16 AUGUST 1986

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JPRS-CRF-86-019
9 OCTOBER 1986

CHINA REPORT

RED FLAG

No 16, 16 AUGUST 1986

[Translation of the semimonthly theoretical journal RED FLAG of the Central Committee of the Communist Party of China published in Beijing.]

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OVERCOME THE TRADITIONAL CONCEPTS OF SMALL PRODUCERS

Beijing RED FLAG in Chinese No 16, 16 Aug 86 p 2

["Forum"]

[Text] The structural reforms and current modernizations require us to transform our outdated traditional concepts, including the one of small producers' natural economy, which is the most important point, so that we can emancipate our thinking from the trammels of the concept.

Since China has long been affected by a feudal society based on small-scale farming by individual farmers, the traditional concept of natural economy has struck deep roots in China. Not only does it influence the masses, but it also still profoundly affects party members and cadres. Therefore, it is a heavy ideological burden for us. Problems developed in the course of reforms, such as: Ideologically, sticking to old ways, being content with things as they are, and not daring to explore and make innovations; economically, looking down on commerce, closed-door type operations, egalitarianism and departmental selfishness; patriarchal thinking and class concepts in social life, bureaucratism and the practice of shirking responsibilities in the leadership's work; and so on, are often directly or indirectly linked to the traditional concepts of small producers. The natural economy is the opposite of the commodity economy. At present, what hinders us from greatly developing the commodity economy is the traditional concepts of small producers' natural economy, as well as force of habit.

To overcome the traditional concepts of small producers is an important task in improving the quality of party members and cadres, and making them satisfy the needs of reform and the four modernizations. The tasks of achieving modernizations and developing the socialist commodity economy require the leadership to become active in thinking and give quick responses. They should unswervingly follow the correct orientation and consciously observe discipline. They should also be good at making judgment, remain calm during changes, and be capable of handling issues in a flexible and efficient way. Also, they should have far-sighted thinking, and be good at coordinating and handling relations between the whole and the part. They should have a widened field of vision and extensive knowledge, be specialists in one trade while also knowing other trades, be efficient in assigning jobs to people commensurate with their abilities, learn others' strong points, and not be proud of little achievements or depressed over little setbacks. However, the traditional concepts of small producers are not compatible with these requirements. If a man's thinking is fettered by the trammels of the concepts, he will inevitably find it difficult to accept new concepts and new things, and he will not stand at the forefront of reforms for promoting innovative development. Even though he is pushed to the forefront by the tides of reforms, he may not be able to go all out in his work of opening up and invigorating. He will be apt to hesitate in his work when encountering difficulties and setbacks. Therefore, we must break away from these traditional concepts in order to continue to make progress.

The traditional concepts of small producers is a popular persistent ailment formed over a long period. It is not easy to overcome or change it. Rather, we should take a patient and scientific attitude toward it and use the correct method. The basic point is that we should first educate party members and cadres, particularly leading cadres, on the necessity and urgency of fully understanding the reasons for overcoming the traditional concepts of small producers. We should also educate them on improving cultural and scientific standards, as well as consciously establishing new concepts which conform to the modernizations and development of the socialist commodity economy. For examples, they are the concepts of opening up, efficiency, forming combines and competition, information, science and technology, qualified personnel, and so on. Cadres at all levels must really think about it in a serious way, and ask themselves if they have any manifestations of the traditional concepts of small producers. Then, they should actively overcome the concepts and make their thinking and moves conform to the situation. In the wake of the in-depth development of reforms and the development of the commodity economy, in many places a large number of enterprises and specialized households have emerged which are good at producing and exchanging commodities. Their experience provides us with live teaching materials for overcoming the traditional concepts. We must make good use of the experience and examples. By showing facts and reasons, we should guide the cadres and masses to overcome the narrow-minded viewpoint and thinking of small producers, and to make strides on the road to greatly developing the socialist commodity economy.

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CSO: 4004/65

SEVERAL QUESTIONS ON PARTY BUILDING DURING THE NEW PERIOD

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 3-11

[Article by Bo Yibo [5631 0001 3134]; a speech which Comrade Bo Yibo gave at the CPC Central Party School on 8 July 1986 and which he abridged and revised before publication--passages within slantlines published in italics]

[Text] I. Strive To Build Our Country Into a Firm Core of Leadership for the Socialist Modernization

1. As the historical tasks and positions of our party have changed since the proletariat seized state power, the question of how the party in power is to strengthen its own organization has become a very important problem. So far, we have not yet entirely solved this major problem. Soon after the October Revolution, Lenin paid attention to this problem and gave some very important opinions on it. For example, in 1919, he put forth the idea that it was necessary to "remove from the party those who only want to enjoy the advantages of being members of a ruling party but are not willing to work selflessly for the party." Later, he put forth the issue of opposing bureaucracy, and other matters. But he died too early and did not have enough time to elaborate on these ideas. On the eve of the birth of the new China, Comrade Mao Zedong put forth the principle of "preventing erosion" in a speech that he gave at the Second Plenary Session of the Seventh CPC Central Committee. This has played an important role in strengthening our party building since our party came to power. In the report on revising the party Constitution that Comrade Deng Xiaoping delivered at the Eighth CPC National Congress on behalf of the CPC Central Committee in 1956, he gave some very important viewpoints and ideas on strengthening party building after our party had come to power. He pointed out that the ruling party was in danger of being divorced from reality and the masses of people, stressed that strict supervision and education had to be carried out for our party organizations and members in order to enable them to acquire the work style of serving the people, shouldering responsibility for the masses, discussing everything with them and sharing weal and woe with them. He also stressed the implementation of the mass line and the strengthening of democratic centralism and opposed personality cults. It was a pity that later we failed to act according to these viewpoints and ideas. After 1957, the emergence and development of the "leftist" mistakes in our party's guiding thoughts which finally caused the 10 years of civil disorder, gave rise to huge losses to our country's socialist modernization as well as

seriously undermined our party building. When Comrade Hu Yaobang met Georges Marchais, secretary general of the French Communist Party, a few days ago, he said the following: "Since the founding of new China, we have suffered setbacks, which have made us realize that socialism is still to be practiced; therefore, there has been no fixed pattern for the way to achieve socialism, nor can we find any ready-made solutions to our problems in books. Only by integrating the fundamental principles of Marxism with practices in the country and only through continuous new probing can a party maintain its own great vitality and thus achieve continuous development." I think that these words have very satisfactorily summed up the basic historical lessons that we have drawn on from our country's construction since the founding of the CPC. These historic lessons will also provide us with valuable enlightenment on the issue of how we should strengthen and consolidate our party as a ruling party.

2. The 3d Plenary Session of the 11th CPC Central Committee was a great historic turning point for both our country's socialist construction and our work of party building. The CPC Central Committee reestablished the Marxist ideological, political and organizational lines, made the strategic policy decision of switching the focus of the work of the party and state onto socialist modernization and formulated a series of major principles and policies concerning opening up to the outside world, enlivening the economy at home, and carrying out reform in our economic, political and other systems. At the same time, in the sphere of organizational work, it has made new cadres cooperate with veteran ones while replacing veteran cadres throughout the party and country. All this marks the entry of a new development period of our socialist cause. All this has laid a satisfactory foundation in various spheres and provided satisfactory conditions for satisfactorily carrying out the work of party building in the new period. The 12th party congress put forth the idea that we "have to build our party into a firm core of leadership for our socialist modernization." This is the basic guiding thought for the work of party building in the new period. It can also be regarded as a basic program. We can firmly believe that as long as we follow this guiding thought and program and as long as we do various aspects of work of party building in a down-to-earth manner, our party will surely be able to have new features and greater combat effectiveness in leading the people all over the country and in carrying out the historic cause of socialist modernization.

3. The 12th CPC National Congress decided to carry out an overall consolidation in our party organizations in 3 years, which would focus on solving the serious problems of impurity in thinking, in work style and in organizations inside our party and the problem that a vast number of cadres and party members fail to meet the requirements of the new situation and tasks. It also decided to regard this as a new starting point in intensifying the work of party building in the new period. All these decisions were made very correctly in very good time.

The party consolidation has now been under way for over 2 years since the 2d Plenary Session of the 12th CPC Central Committee adopted the resolution on party consolidation. By now, party consolidation work in the organizations at and above the county level has been completed all over the country and work in rural districts and townships below county level will soon be completed too. Next winter and summer, party consolidation work will be carried out in an all-round manner at village level. The work of party consolidation in the past 2 years has been successful. Compared with the period before the party consolidation, we have made substantial progress in unifying our thoughts, rectifying our work style, imposing our party discipline and purifying our organizations. Our central ministries and commissions and our provincial, regional and municipal leading organs which took part in the first stage of party consolidation, have scored relatively clear results in correcting the guiding thoughts over their vocational work, further emancipated people's minds and clarified the orientation of reform. This has enabled them to more satisfactorily switch their leadership work into the orbit of serving the work of creating a new situation in our socialist modernization and serving the basic level. Generally speaking, the first stage of the work of party consolidation developed healthily, but we cannot deny that some departments and areas failed to do adequate work in fulfilling in an all-round manner the four tasks of party consolidation and a small number of them even did the work perfunctorily. The units at prefectural and county level that took part in the second stage of party consolidation learned from the experience gained at the first stage and solved some problems better. In particular, they relatively satisfactorily grasped the education in party spirit. They have selected a group of party organizations and units as fine models of good party spirit, work style and work achievements. At the same time they vigorously grasped the examination of major and important cases. All these played an important role in bringing about a turn to the better in our party work style. According to the opinions of the comrades in various areas, as our understanding of the importance of party consolidation has been improved and as we have accumulated some experience in carrying out party consolidation, and in addition, as we have made relatively sufficient preparations, very probably, we will do our rural party consolidation work even better. The difficulties in carrying out this party consolidation are not small. However, as our party has learned from the experience and lessons gained from political movements in the past, it will prevent the previous practice of acting and criticizing people rashly, firmly implement the basic principle of "preventing confusion while pursuing solutions to problems," adopt measures from the top downward, adhere to the educational method of using positive examples and enlightenment, have a clear guiding thought that in carrying out the party consolidation, we must ensure and promote the development of reform and economy, and prudently adhere to the principle of seeking truth from facts in meting out organizational punishment. Therefore, we will relatively soundly and appropriately do the work of party consolidation. What is more valuable, through the practice of party consolidation, is that many party organizations and party cadres have begun to learn new methods of handling inner-party relations and developed quite a lot of experience in this sphere.

People have shown much concern about the problems related to our party work style. We should admit that there were shortcomings in carrying out the first stage of party consolidation, namely, we failed to discover many large or important cases of typical bad examples with serious problems and we failed to promptly and thoroughly solve the problems even if we discovered some of these cases. The CPC Central Committee has begun to pay close attention to this matter since the beginning of last year. At that time, the second stage of party consolidation was being started and the Central Party Consolidation Guidance Commission clearly pointed out that this had to be regarded as a prominent problem and had to be solved. In the beginning of this year, the CPC Central Committee held a meeting of 8,000 people from central organs, set up a group to lead the work of correcting party style, started its work by examining major and important cases, and thus continued to carry out the work of correcting our party work style. Comrade Deng Xiaoping regarded it as a matter of such great importance that it would determine whether we succeed with our reform and construction. Now, we have begun to score achievements in grasping this work. As long as we persist in grasping it, we can expect great success. However, it is impossible to remove all of the dark side in our party through one party consolidation. The party has also emerged in the society. Our inner-party life will continue to be linked in many ways with our social life. As the situation develops, after we have removed some unhealthy things, some others will often emerge. Therefore, when this party consolidation is finished, the party organizations at all levels will continue to grasp the work of consolidating themselves daily and should not relax their efforts.

4. At present, the economic and political situation throughout the nation is heartening, being one of the best since the founding of the PRC. Satisfactorily grasping party consolidation from beginning to end is precisely aimed at promoting and ensuring the continuous development of this satisfactory situation. However, even in this good situation there are indeed quite a few problems and difficulties. Last 10 May Comrade Deng Xiaoping emphatically pointed out in a speech: "Historical experience has told us that we should not be boastful and should do our work in a down-to-earth manner." When he listened to a briefing on economic work on 10 June, he again spoke about the necessity of paying attention to the three issues related to grain, the foreign trade deficit and political structural reform. He stressed that we should not relax our efforts to produce grain, that we must think of ways to put an end to foreign trade deficits as soon as possible, and that we should make political reform a priority in our work in order to meet and promote the development of economic structural reform. Although these matters were often mentioned by central leading comrades in the past few years, they are not platitudes, but are very important new issues. From the point of view of the current situation, it is of even greater significance and even more profound content. I think the general spirit of these opinions is that all the comrades in our party and all the people in our country, in particular leading cadres at various levels, should remain clear-headed under the good situation and pay attention to promptly studying and solving the problems and overcoming the weak links in the course of our progress. Only by so doing can we maintain and develop the good situation of reform and the four modernizations. We must observe and analyze the situation in an all-round and scientific manner. This means that our analysis must conform to objective reality and should not be one-sided. Our analysis will be wrong and one-sided if we only see problems but fail to see achievements or if we even exaggerate problems that have emerged and thus belittle or even negate our achievements. It will also be wrong and

one-sided if we only see achievements but fail to see problems and report only good but not bad news. Through many years of observation I have summed up an experience, namely, some comrades are often apt to commit the former kind of one-sided mistakes when we run against relatively many and great difficulties and are often apt to commit the latter kind of one-sided mistakes when there is a relatively satisfactory situation. In the 37 years since the founding of the PRC, we have taken a zigzag course, a path which is smooth at the end and beginning but has twists and turns in between. This historic course has enabled us to even more profoundly realize that the party's correct leadership and maintaining a correct guiding thought are fundamental guarantees for the success of our undertaking of socialist construction. The more vital the juncture that the development of our revolution and construction is at, the less should we be careless, and the more should we see our difficulties and think about our problems. For where there is precaution, there is no danger. Generally speaking, the better the situation, the easier it is for comrades inside and outside our party to see our achievements and progress. Under this situation, of course, our leaders at various levels have the duty to guide people in fully confirming our achievements and strengthening their confidence in forging ahead, but they also have the duty to guide people to see the problems and difficulties that they may encounter in their advance and reduce the blind optimism that may be given rise to by the relatively good situation. If we are blindly optimistic, we will not be able to see new problems or to put forth new opinions. As a result, problems cannot be discovered or solved promptly and we will thus fail to consolidate or develop the good situation. Examining more frequently the difficulties that may emerge conforms to the party's ideological line of seeking truth from facts and is necessary for us to remain clear-headed under a relatively good situation.

The tasks of reform on our shoulders are very heavy and arduous and it will take quite a long time for us to fulfill them. The progress and achievements of our reform are mainly determined by the earnest efforts that we make in our work and on the quality of our work rather than by a high growth rate for a short time. We should have reserve strength for the development of our four modernizations. The answer to the question of where we should get this reserve strength is that we should get it from our reform. While satisfactorily grasping our economic structural reform, we should also grasp our political economic reform. Just as we do in our economic structural reform, in carrying out our political reform, we should also first intensify our study, make necessary and satisfactory preparations and then carry it through steadfastly in a planned and systematic manner. Our economic and political structures are closely linked with and supplement each other. Therefore, these two structural reforms must coordinate with each other. If we carry out economic reform without political reform, we will in fact be unable to carry through our economic reform. Our political structural reform in fact involves quite a few problems. I find that first we should study and solve the following two problems: 1) We should solve the problem of failure to separate the functions of our party from those of our government. 2) We should solve the problem of the overstaffing in our organs. The goal of our political reform is to go a step forward in establishing a socialist political system that is highly democratic and that has a perfect legal system and high efficiency. This political system should be suited to the new economic structure and should have Chinese characteristics. Therefore, it should also better facilitate improving and strengthening the party's leadership. In both our economic and political structural reform, there are no existing schemes or experience to follow. The only method is to explore our way and sum up our experience while carrying out our reform. No matter what difficulties and turbulence we may encounter, we must undauntedly adhere to our course and resolutely persist in carrying them through to success. If we succeed in fulfilling the great tasks of reform, we will lay the foundation for the sustained and stable development of our country in the coming 50-70 years. We should precisely ensure the success of our reform and four modernizations and the development of our democracy and legal system through intensifying our party building work. Therefore, under the new situation striving to build our party into a firm core of leadership for our socialist modernization program is an urgent historic task for the comrades in our party.

II. Several Issues That We Must Pay Close Attention To in Intensifying the Work of Party Building in the New Period

1. /We should treat Marxism with a scientific attitude and conscientiously study, adhere to, and develop Marxism./

Studying and mastering Marxist theory is a task of first priority in intensifying the work of party building for the ruling party. In his speech to the National Conference of Party Delegates, Comrade Deng Xiaoping stressed: "I hope that the CPC Central Committee will make a feasible decision to enable the cadres at all levels in our party, first of all, leading cadres to spare some time in spite of their heavy workload in order to study and become familiar with fundamental Marxist theory. By so doing, we will heighten the sense of principles in our work, make our work more systematic and improve our foresight and creativeness. Only by so doing can our party adhere to the socialist road, build and develop a socialism with Chinese characteristics and achieve our final goal of communism." All the victories that we won in the past were the consequence of integrating the fundamental principles of Marxism with China's actual practice. In order to fulfill the new historic tasks of the four modernizations, we cannot now dispense with the guidance of Marxist theory. Without integrating fundamental Marxist principles with China's actual practice of socialist modernization, we cannot talk about building a socialism with Chinese characteristics, nor can we talk about intensifying or doing a good job of party building. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has put forth a series of new principles and policies. Have they come out of the blue? No, they have all come through integrating Marxism with the practice of China's socialist construction. Practice has shown that these new things are not only Marxist, but have also creatively developed Marxism.

Under the current new situation of reform, opening up to the outside world and enlivening the economy, countless new things and problems will continue to emerge. This urgently demands that our party members and party-member cadres should intensify their study of theory and apply the stand, viewpoints and methods of Marxism-Leninism-Mao Zedong Thought in guiding our practice and solving actual problems. In order to profoundly understand and correctly implement the series of principles and policies of reform, opening up and enlivening that we are carrying out now, we can by no means dispense with some understanding of the theory. We should closely integrate the fundamental principles of Marxism with the actual practice of China's revolution and construction and thus correctly decide the tasks of the revolution and construction and formulate correct strategy, tactics, principles and policies. This is a basic magic weapon and a basic experience that we have gained to help us overcome various kinds of "leftist" and rightist mistakes and to continuously push forward and win victories in our revolution and construction. We will fail if we only have theoretical knowledge but cannot link it with practice and if our theory is divorced from practice. So will we fail if we focus only on our actual work and do not have the guidance of theory. Marxist theory is not a theory, but is a guide for our actions. While guiding revolution and construction, it should continue to absorb experience and nutrition and continue to enrich and develop itself. The reform that we are carrying out is a process of groping our way to make progress; therefore, we must be guided by the basic principles of Marxism-Leninism-Mao Zedong Thought. Without this guidance, we will act blindly. At the same time, both in theory and practice, we must bravely make breakthroughs and blaze new trails. Otherwise, we will not be able to free ourselves from the fetters of the traditional construction pattern that is not suited to the development of our socialist cause, or from the fetters of some old conventions and experience. Then it will be impossible for us to succeed in our reform. In short, on the one hand, we should persist in regarding Marxism as the guide in carrying out our reform and on the other hand, we should also develop Marxism while carrying out the reform. If we do not develop Marxism, we will not be able to adhere to it. On the other hand, if we do not study, master or apply the basic principles of Marxism and if we do not have these principles as our foundation, we will not be able to develop Marxism. This is the relations of dialectical unity between "adherence" and "development." In the course of the struggle to build socialism with Chinese characteristics, we should persist in continuously studying and creatively developing Marxism-Leninism-Mao Zedong Thought and thus be able to integrate the basic principles of Marxism-Leninism-Mao Zedong Thought with the actual practice of reform and socialist modernization at a new and higher level. We should do so in consolidating our party itself as well as in our reform and modernization. In order to intensify and satisfactorily do the work of party building, on the one hand, we should continue to carry on and develop the fine tradition and experience of the work of party building in the past; and on the other hand, we must creatively develop the theory and practice of party building in the light of new historic conditions and the experience gained from our new practice. This requires us to first satisfactorily study the basic theoretical knowledge of Marxism-Leninism-Mao Zedong Thought concerning the construction of the ruling party.

2. /We should continue to intensify the work of party building related to the leading groups of the party organizations at all levels./

In consolidating our party, in particular, our party organizations, we should always grasp the work of consolidating the leading groups at various levels. The reason for this is very simple. Leading groups are headquarters for the fighting; therefore, the quality of leading groups and leading cadres determines the success or failure and the orientation of the development of our party's cause.

Most of the leading groups and cadres in our party organizations at various levels are good or relatively good. But there are also a fairly large number of leading groups and cadres that fail to meet the requirements of the four modernizations and the development of democracy and legal system. In some areas, the minds of the cadres in basic-level party organizations are still fettered by the concept of natural economy and the ideology of small-scale production, and they are therefore unable to make progress in carrying out the reform. Some of them have as yet failed to understand the necessity of developing the socialist commodity economy. There are also some areas where some of the leading cadres still lack a correct and full understanding, having only a one-sided understanding of the party's policies of opening to the outside world and enlivening the economy at home and of the work of introducing technology from abroad and setting up joint ventures with joint capital with foreigners. There are still quite a large number of people who do not know scientific management and who do not understand the principle that first we should carry out our construction and second we should have a legal system. They do not respect the opinions of the masses of people and quite often violate the principle of democracy. We have not yet thoroughly put an end to the work style of staying at the higher level to direct the work by issuing documents and listening to briefings without going deep into the reality. Therefore, continuing to intensify the work of party building in our leading groups at various levels remains a very important task.

In order to build our leading groups at various levels into firm cores to lead the masses in carrying out the four modernizations program, I think that at least we should satisfactorily grasp the following aspects of our work: 1) We should make efforts to heighten the ideological and political level and improve the work competence of our leading cadres. 2) We should earnestly change and improve the work style and methods of leadership. 3) We should firmly establish in our minds the idea of closely linking with the masses and the idea and feeling of loving the masses of people.

Another key issue in intensifying the work of consolidating our leading groups is that we must correctly and satisfactorily select the people who are to be promoted into our leading groups. In selecting, promoting and employing cadres, we must adhere to the principle of selecting those who have both ability and political integrity. This is the only correct principle for our party in selecting competent and virtuous cadres and it will never be outdated. In selecting and promoting cadres, in particular, members of leading groups at various levels, we should carefully check and pay attention to both their "political integrity" and "ability" and should not emphasize one of the two at the expense of the other. Moreover, we should always put "political integrity" first. The CPC Central Committee has also put the task of "making our cadres more revolutionary" first in the task of the "four transformations of cadres." We should see that in the work of selecting and employing cadres at present, there is a trend of putting ability before political integrity in some areas and departments. We should pay great attention to this problem. In our actual work, this problem is shown in the fact that in applying the standard for the "four transformations" of cadres, we sometimes only pay attention to the latter "three transformations" and neglect or regard only as supplemental the "first transformation" which requires us to make our cadres "revolutionary." We must correct this tendency, otherwise, we will bungle major matters. In the work of "rejuvenation," there has been the practice of pursuing "uniformity," while in the work of making our cadres "educated" and "professionally competent" an unhealthy tendency of judging cadres' educational level and competence merely by certificates has emerged. All these problems must be conscientiously solved in the future in consolidating our leading groups.

3. /We should earnestly perfect and vigorously develop inner-party democracy./

Our party has been established according to the principle of democratic centralism. Perfecting and developing inner-party democracy is of extremely great significance for the implementation of the correct centralism on the basis of full democracy, for ensuring the formulation and implementation of the party's line, principles and policies, imposing party discipline, consolidating party unity, and preventing some party-member cadres from acting arbitrarily and from becoming lords over rather than servants of the people.

Since the 3d Plenary Session of the 11th CPC Central Committee, the political life in the party's Central Committee has been democratic and healthy and democracy has also to some extent recovered and developed in our basic-level party organizations. This is a major achievement in our efforts to bring order out of chaos.

What is healthy and full inner-party democracy? Is there a mark for it? I think there is. It is what Comrade Mao Zedong said in his article "Situation in the Summer in 1957": "We should create a lively political situation whereby there is both centralism and democracy, whereby discipline is imposed while people have freedom and whereby there is both unity of will and personal peace of mind." Historical facts have proved that it is very difficult to actually create such a lively situation of inner-party democracy. Almost at the same time as Comrade Mao Zedong raised this issue, our party committed serious mistakes of expanding the scope of the anti-rightist struggle. Later, it committed another mistake of "fighting against so-called right deviationism" and finally it committed the all-round "leftist" mistake of the "Great Cultural Revolution." For nearly 20 years, we not only failed to make any progress in creating the political situation for our inner-party democracy, but also seriously undermined the originally basically normal inner-party life. Now, we are making progress toward that goal in improving our inner-party life. But we should point out that even today, there are some areas and units where the inner-party life is still abnormal. This is shown in the fact that a small number of leading cadres there continue to be eager to maintain the patriarchal system and their monopoly of the power and they even regard the units under their charge as their independent realms; that some areas continue to handle things and employ people in the light of their relations to the cadres and appoint people by favoritism and even substitute this vulgar practice for the principle of party spirit, turning the relations between comrades and between people and organizations into a relation of appendage; that some new leading groups have been established, but often there are still people who refuse to carry out the decision made by the new leading groups through discussion but continue to implement the "instructions" from their "former leaders"; and that some leading cadres are fond of speaking highly of their achievements, are willing to listen only to good news but unwilling to listen to bad news, do not tolerate different views and at the same time, some people who are good at flattery act in a way that the leaders like, closely watch the leaders' expression to say what the leaders want to hear, do not speak the truth, tell the leaders only good news but cover up the bad news and some of them even deceive the upper levels and curry favor with them in order to gain fame and promotion. There is nothing about them that is similar to the characteristics of a CPC member! If we fail to resolutely correct these negative phenomena, the party's leadership and combat effectiveness will inevitably be weakened.

Therefore, we must adopt vigorous measures in the spheres of thoughts, work style, discipline and organization and strive to improve our inner-party democracy. We should eliminate the patriarchal system, the monopoly of power by leaders, the relations of personal appendage and other remnant poisonous influences of feudalism. This is an indispensable and radical way to improve our inner-party democracy. We should pay attention to conscientiously correcting the unhealthy trend in the sphere of our political life. We must criticize and fight against all words and deeds that run against the principles governing our inner-party political life. We should normalize the regular activities of our organizations. All cadres, including leading cadres, should take part in the activities without exception and consciously carry out criticism and self-criticism. An important yardstick to check whether inner-party democracy is normal is whether there is an atmosphere of conscientious criticism and self-criticism in our party organizations. Difference of opinions inside our party is normal. We should not discriminate against the comrades who hold views different from ours, even less should we allow the practice of persecuting and retaliating against people who hold different views. Our party organizations at all levels should always pay attention to improving the measures and methods to develop inner-party democracy and turn it into a system.

4. /We should persist in administering our party strictly./

Comrade Chen Yun time and again stressed: "The issue of the party style of the ruling party is a vital issue for the party." There are many reasons for the serious problems in our party work style. One of the most important reasons is our failure to administer our party strictly. The major tendency now is weakness!

Here, I am going to particularly expound on the question of being strict and lenient. In ancient or modern times in any society and any country, a common experience for administering the society and country well is to combine strictness with leniency, in other words, to coordinate strict and lenient measures. Of course, as the nature of societies and countries varies, so do entirely the scope of strictness and leniency and the degree and ways of the strictness and leniency, in other words, the social scope and contents of the strictness and leniency. But there should always be the principle of combining strictness with leniency. Only by being strict where we should be strict and lenient where we should be lenient can we guarantee the normal order of the life of our state and society. Reversely, being lenient only but never strict or being strict only but never lenient and thus committing the mistake of excessive strictness or excessive leniency is not a good way to administer our country. Our country is a socialist country with a people's democratic dictatorship; therefore we should be lenient to our people; while we should adopt economic, legal and dictatorial means to severely punish criminals who have committed economic and other crimes and all counterrevolutionaries who oppose the people and socialism. This is our way to combine strictness and leniency in administering our country. As at present, the main defect in our inner-party life is that some party organizations are not strict enough and are too weak in handling the problems that must be handled severely; therefore, we should place particular emphasis on the necessity of administering our party strictly.

First, we should improve the quality of our party members in totality. In the process of the party consolidation, we found that some cadres' political, ideological, moral, cultural and vocational quality is not high and that of some of them are very poor. Quite a few party members do not join the party in order to fight for the ideal of communism but in order to obtain the "status" as the member of the ruling party so that they can become officials and pursue their personal gains. These people are absolutely not qualified as party members. A party member should have ideals, be moral and educated, and observe discipline. We must make great efforts to improve the quality of our party members. We should earnestly intensify our various kinds of education among party members, in particular education in party spirit. We should vigorously urge our leading cadres to play the role in setting examples for other people. Those who cannot do so are not qualified for leading posts.

Second, we should severely handle the problems among our party-member cadres and party members of seriously exploiting their power to pursue their private ends and seriously violating law and discipline. We must realize that those who seriously violate law and discipline and exploit their power of office to pursue their private ends have seriously harmed the interests of the party and people for their personal interests or for the interests of the small groups such as their units and departments. They have thus seriously undermined the reform and economic construction and the relations between the party and masses. This has yielded extremely bad consequences and influence. We should teach our party members to bravely stand out, adhere to principles, have the courage to tackle difficult problems and to resolutely fight against these activities. They should also have the courage to fight resolutely against decadent thoughts that erode the party. Only by so doing can they sternly and resolutely maintain the communist purity of communists and the advanced nature and combat efficiency of our party organizations. At the same time, we should teach our party members to fully realize that correcting unhealthy practices and cracking down on the crimes is long-term work. In the process of opening up to the outside world and enlivening our economy at home, surely some bad things will emerge. We should try to correct unhealthy practices and crack down on criminal activities for as long as we continue to carry out our policy of opening up and enlivening. Only by so doing can we ensure the correct implementation of these policies. Otherwise, our opening up and enlivening will go astray.

Third, we should strictly impose party discipline. Failure to administer the party strictly is often to a very great extent shown in our failure to strictly impose party discipline. For example, we are often too lenient to some party members who have committed serious mistakes and failed to mete out due punishments. Being strict and fair in meting out rewards and punishment is an important policy for the administration of our party and state. If we fail to be strict and fair in meting out rewards and punishment, we will not be able to make a clear distinction between rights and wrongs or genuinely convince people. Lenin said that we had to "pay attention to improving the quality of our party members and expel those who 'have wormed their way into our party.'" He also said that there would rather be fewer but better party members. Why should we keep in our party those who have already become unqualified as party members?!

III. Quality and Work That a Party Member Should Have in the New Period

In the years of the revolutionary wars, it is difficult to be a pioneer fighter for the proletariat, but today it is also very difficult to be a member of the ruling party. The great socialist modernization cause requires all party members to consciously intensify their tempering of party spirit and their training to foster lofty qualities and work style. Stalin once said that a communist was made of "special materials." In the period of socialism, a communist is by no means "special" in being superior to other people or in being able to exploit the power in their hands to pursue their personal ends, but should be special in displaying everywhere the lofty quality and work style of always fighting for the interests of the people. What quality and work style should a party member have in the new period? In the light of the stipulation of clause 8 of the party Constitution and taking into all-round consideration of the quality and work style displayed by the fine party members on various fronts, I think that there should be the following 10 aspects:

1. /A party member should have firm party spirit./ The party spirit of a party member is shown in various spheres including thoughts, politics, work style and observation of organizational discipline. Its most fundamental aspect is to serve the people wholeheartedly. A member of the ruling party must always adhere to the principle of serving the people. Today, he should pay particular attention to the following: First, he must always remember the loftiest principle of "establishing the party for the public" and "administering the government for the people," correctly exercise the power granted him by the people to pursue most people's interests, and always refrain from lording over the people. Second, at any time, he must carry on the spirit of being the first to suffer hardship and the last to enjoy comfort, and the idea of fearing no hardship and being willing to suffer hardship for the party's and people's interests. Third, under no circumstances can a member of the ruling party have the mentality to enjoy "comfort" and he should make up his mind to fight selflessly all his life for communism.

2. /He should have a firm faith in communism./ In the history of our party's struggle, countless CPC members have died, shed blood and devoted all their energy, even their lives, for the struggle. The fundamental reason for this was that they had firm faith in communism. Today we are assigned with the heavy historical task of realizing the four modernizations of our motherland; therefore, we also demand that all our party members must have firm faith in communism. This faith is not empty words on his lips, but must be displayed in his actions throughout his life.

3. /A party member should have the spirit of studying diligently and working hard./ In the course of our socialist modernization, there are many things and problems that require us to use our brain and to assiduously study and probe. A party member should conscientiously study Marxist theory and study and master modern knowledge of science and technology, administration and management know-how and other professional knowledge in order to become professionally competent. Moreover, as our reform and four modernizations program are arduous and complicated social projects, all our party members, in particular leading cadres, must learn the skills to work in a complicated environment. This means that he should have a relatively good mastery of skills to apply materialist dialectics, understand the necessity of analyzing things in an all-round manner and the necessity of drawing clear demarcation lines between various things, and understand Marxist strategy and tactics. Only when he has these skills can he correctly and effectively resolve various kinds of contradictions and problems and continue to lead our modernization to victory. In 1941, in his "Preface and Postscript to Rural Surveys," in the light of the complicated historic environment of the war of resistance against Japan, Comrade Mao Zedong especially expounded on the reasons why a CPC member should know how to work in such an environment and the significance in doing that. This article is worth our reading once more.

4. /He should have the work style of bravely blazing new trails and quietly immersing himself in his work./ The historic task of a communist is to continue to push history forward and achieve all-round social progress. This task itself determines and requires that in the historic periods we are in,

all of us communists must follow the direction pointed out by the party's line, principles and policies, be brave in blazing new trails and accept and create new things and oppose the conservative thoughts which favor following the beaten path. At the same time, while blazing new trails and forging ahead, he must do his work in a down-to-earth manner, quietly immerse himself in his work, not make empty talk, do more actual deeds, and become a pragmatic worker rather than idle talker.

5. /He should always be ready to take up cudgels for a just cause and selflessly and bravely uphold healthy revolutionary trends./ In the revolutionary war years, many communists were neither corrupted by wealth or rank nor subdued by poverty or force and thus displayed their integrity and uprightness as revolutionaries. Today, in the various kinds of difficulties that have emerged in our four modernizations, we should also carry on the revolutionary spirit of fearing neither death nor hardship. In the face of the erosion of the various kinds of decadent thoughts and unhealthy trends, we should consciously resist them, bravely fight against them and really manage to be entirely invulnerable. In his article "Inscription for Mr Yan's Shrine," Fan Zhongyan praised Yan Ziling, a scholar in the Eastern Han Dynasty, for his uprightness, which could "move corrupt people and make them honest and move cowards and make them brave." This was what uprightness was in feudal times. In serving the interests of the people, we communists are even more obliged to be upright. "A little uprightness will serve as a wind that sends our ship a thousand miles away." A communist should set an example for the masses of people wherever he goes.

6. /He should set an example in seeking truth from facts./ Whenever a CPC member or a cadre who is a CPC member considers or does anything, he should persist in investigating and studying, proceed from reality in doing everything and seek truth from facts. He should dare to speak the truth, follow only the truth rather than instructions from above, and start from reality, think independently, and adhere to principles. He should never ignore facts. He should never echo other people's views, boast, make empty talk or tell lies.

7. /He should be good at maintaining close ties with the masses of people./ Every party member or cadre who is a party member should always think about and serve the masses of people and should never forget or be divorced from them, even less should he lord over them. If a communist becomes divorced from the masses and has lost their support, he will lose the ground under his feet and will never be able to succeed in anything. He should always remember this. He should never forget this because he has power in his hands. He should know that if he acts against the masses' will and encroaches on their interests, they will be justified in finding ways to take back the power from him.

8. /He should bravely adhere to truth and correct mistakes./ A communist is magnanimous and selfless. He should have the courage to carry out criticism and self-criticism against any shortcoming and mistake of his own or other people's and strive to overcome and correct it. However, at present, liberalism and the habit of never offending other people is still

much in vogue among some of our comrades. They clearly see the mistakes but think that it is better to say nothing. Others conceal their own faults for fear of criticism, dare not disclose their own shortcomings and mistakes and want to cover them up. Still others cannot endure the least criticism; they bear grudges when they have been criticized by other people and wait for an opportunity to retaliate. These all run counter to the principle of adhering to truth and correcting mistakes and they must resolutely overcome these wrong attitudes.

9. /A party member should consciously observe discipline and law./ The party's discipline embodies the will of the whole party and the state's law embodies the will of the people all over the country. All party members including party-member cadres, no matter how high their posts, how great their merits or how great their seniority, should act within the scope of party discipline and state law and set an example in observing law and discipline. We do not tolerate any one party member who refuses to be restricted by party discipline, nor do we tolerate any one citizen who refuses to be restricted by state law. At any time, we must sternly examine and punish and must never be lenient toward party members and cadres who seriously violate law and discipline.

10. /A party member should be "prudent when he is alone."/ A communist should continuously carry out self-cultivation. I suggest that we all review Comrade Liu Shaoqi's "On the Self-Cultivation of a Communist Party Member." The self-cultivation of a party member means that he often measures his own words and deeds by Marxist viewpoints, the principle of party spirit and the criteria for party members. The self-cultivation of a party member is by no means a practice of "thinking about one's own faults alone at home" but is a conscious practice of party spirit. "Doctrine of the Mean" in "The Book of Rites" says: "There is nothing more visible than what is secret, and nothing more manifest than what is minute." Therefore, the superior is watchful over himself when he is alone. It roughly means that even in most concealed places one should not do what he should not do; therefore, "the superior" should be very prudent when he is alone. Every CPC member and party-member cadre should always be as good as his words and be modest and prudent in public or in private, no matter what his job is and no matter whether his boss is present or not.

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CSO: 4004/67

RECTIFICATION OF PARTY STYLE MUST GO HAND IN HAND WITH REFORM

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 12-15

[Article by Han Guang [7281 0342], executive secretary of the Central Discipline Inspection Commission]

[Text] The present situation in the rectification of party style is better than a few years ago. We have initially opened up a prospect of the whole party grasping party style. The drive of correcting unhealthy trends is developing in depth. A new breakthrough has been effected in dealing with big and important cases. The work of providing education in party spirit and party style has been done in a more profound and consolidated way. There has been a good beginning in strengthening discipline. Practice of the past 6 months has shown that as long as leading organs and leading cadres at all levels conscientiously grasp party style, they will achieve true results. However, we should not overestimate the achievements we have made. We should say that it is only a good beginning, and that a number of problems remain to be solved. At present, we should correctly understand and handle the relations between rectification of party style and reform. This issue is of primary importance and merits our attention.

Rectification of Party Style and Reform Complement Each Other

Two years ago, Comrade Chen Yun pointed out: "'Relaxing' the principle in the party spirit and party discipline is out of the question. Without a good party style, it is impossible to do well in reform. Whether during the period of doing underground work, or during the period of ruling the country, a communist party should stick to its discipline." Party style is a matter which concerns the life and death of the party and the success or failure of reform. The resolution on "Strengthening the Work of Discipline Inspection To Ensure Smooth Progress in Economic Structural Reform" adopted by the Fourth Plenary Session of the Central Discipline Inspection Commission in 1984 explicitly expounds the guiding thought that discipline inspection work should serve reform and clearly explains the relations between party style rectification and reform. However, in practical life there are still some confused ideas and erroneous views on these relations. Now there is a prevailing view that maintains that the work of rectifying party style and correcting unhealthy trends will "hamper the initiative of reformers." Such a view is not tenable theoretically, and is harmful in practice.

The strategic guiding principle of the party has demanded that while grasping reform, we should grasp party style. This is a guiding thought of "grasping the two civilizations together." While firmly grasping the building of material civilization and reform, we should firmly grasp the building of spiritual civilization and the rectification of party style, so that they can be well integrated and coordinated and march forward hand in hand. Generally speaking, units that have done well in reform might have a better party style. Better rectification of party style in units concerned will, in turn, promote and ensure healthy development of reform. Some enterprises started the work of grasping reform earlier, and have done a good job in this regard. However, the situation has changed in this year. They have found it difficult to develop the reform in depth. Why? There are many reasons for this. However, it is absolutely not because of the work of rectifying party style and correcting the unhealthy trends. We should make a specific analysis of the specific problems. Reform is a systematic project which is great, complicated, and arduous. It is a very profound social change. It is characterized not only by replacing the old system with the new one, but also by the confrontation of ideas between the new and old concepts. Just as Comrade Deng Xiaoping has pointed out: "Reform is a self-improvement of the socialist system and a revolutionary change to a certain degree within a certain scope." Therefore, it will inevitably encounter obstacles and interference from various quarters. It is wrong to attribute rectification of party style to some problems occurring in reform. The purpose in rectifying party style is precisely to remove obstacles standing in the way of reform, eliminate interference, and create a good social and political environment to promote the development of reform. In the meantime, through reform we should further improve and perfect various systems, plug various loopholes in management, and overcome long-standing abuse which hampers the development of productive forces. All this will effectively prevent and reduce the occurrence of unhealthy trends and corrupted phenomena. In early June, I visited some units such as the electrolytic aluminum plant in Taiyuan, the machine tool fittings plant in Hothot, the knitting sportswear factory in Tianjin, and so on. A host of facts have shown that party style and reform should at all times not be separated and that they should not be set against each other. If we fail to grasp party style while carrying out reform, reform will be impeded and harmed. Comrades in these units said that good party style was a guarantee for healthy development of reform. Only by doing well in rectifying party style will the masses feel perfectly happy, be of one heart, and be full of drive to promote reform and production. The prefectural party committee of Cangzhou has persisted in the work of "grasping party style and reform together" and has achieved good results in both party style and reform. They have realized in practice that grasping party style and carrying out reform are a general aim and task put forward by the 12th party congress and that their relations are like "two wings of a bird," which cannot be separated from each other. Only by flapping the two wings will the great undertaking of the four modernizations greatly rise. Successful reform and good party style should, and can, coexist, promote each other, and go hand in hand to make progress. Of course, they cannot replace each other, because they have their own separate field. The problem lies in whether we have "truly exerted our efforts" in reform or merely "employed trickery." If we have truly exerted efforts, reform will be well coordinated with the rectification of party style, and make progress together. If we have "employed trickery" by engaging in speculation and profiteering, employing dishonest methods, earning extra incomes, and scrambling for ill-gotten wealth, what we have done will conflict with the party style and be utterly irreconcilable with the party interest. The true obstruction and obstacle to reform and opening up to the outside world do not lie in the rectification of party style, but in the violation of law and discipline, economic crimes, and unhealthy trends. In the process of reform, opening up to the outside world, and enlivening, unhealthy trends will inevitably occur. This is because in the course of reform, dragons and fish jumble together, and the capitalist decadent ideology and way of life will sneak into our ranks. This will corrupt some weak-willed people. Therefore, we should rectify the party style and correct unhealthy trends as long as we implement the policy of opening up to the outside world and enlivening the domestic economy. Rectification of party style should run through the whole course of reform. We should correct unhealthy trends amid reform, and do well in promoting reform in the course of correcting unhealthy trends. Only thus can we ensure the correct implementation of the policy of opening up to the outside world and enlivening the domestic economy.

To handle well the relations between grasping party style and carrying out reform, we should conscientiously and effectively solve the following two problems: 1) We should be mentally prepared for the problems, difficulties, and "throes" occurring in reform. We should dare to do things that are in accord with the line, guiding principles, and policy of the party, promote the development of social productive forces, and conform with the immediate and long-term interest of the party and the masses. We should dare to shout encouragement for, and uphold, them. "As long as we stand upright, our shadows will not be tilted." "Only the selfless can be fearless." We should not be overcautious, or refuse to carry out reform again and do things that should be done because we once made efforts to correct unhealthy trends, hear some gossip, feel wronged, and are complained against by some people. We should on no account turn back the clock. To do so means that we lack profound understanding of reform and that we are not firm enough in reform. 2) We should pay close attention to distinguishing right from wrong and to drawing a line of demarcation in the policy. We should neither regard all things as unhealthy trends nor deal with the problems of crimes within the range of party style. We should do our best to avoid one-sidedness in method of thinking and hesitance in handling problems. For example, in industrial production, various departments need a fairly great quantity of means of production. Apart from supply according to plan, some amount of means of production is supplied on the basis of negotiated prices. According to contracts concluded by both sides, the negotiated price for means of production supplied in this way might be high or low. We should pay for certain necessary expenses which are needed in operations. All these belong to legal economic activities. They are different from, and should not be lumped together with, the malpractices of a small number of units and individuals who are guilty of exploiting an advantage to stir up trouble, abusing power to seek private gains, reselling goods at a profit, profiting from illegal trade, embezzling, offering bribes, and taking bribes. We should stick to the former because they are needed by the development of productive forces, whereas we should ban the latter because they are not allowed by party discipline and state law. While protecting the enthusiasm of our reformers, we should attach importance to the work of rectifying party style. While making unswerving effort to correct unhealthy trends, we should pay attention to drawing a line of demarcation in the policy and work methods. As long as we persist in doing so, our socialist reform and party style will supplement each other and make progress hand in hand.

Discipline Inspection Work Should Help Reformers Free Themselves From Anxieties and Solve Difficulties

Reform is a process of unceasing exploration, opening up, and blazing new trails. With the profound development of reform, opening up, and enlivening, a new situation and many new problems will inevitably occur. The new situation and problems should be solved by relying on a correct policy. Ours is a big country with complicated conditions. The spirit of the central authorities and the policy of the state cannot be worked out so concretely. In addition, our law, policy, rules, and regulations should be further improved and perfected. Therefore, in our practical work, many distinctions are still obscured. All this has set a new task for our discipline inspection work. In other words, discipline inspection departments should go deep into the realities of life, institute investigations and studies, and pool the wisdom of the masses. Regarding some obscured matters occurring in reform, they should cooperate with the relevant sections to study and formulate a correct policy, and draw a line of demarcation in policy. In Zuoyun County of Yanbei Prefecture in Shanxi Province, small coal mines run by towns and townships have been developing very rapidly over the past 2 years. Many new matters obscure to the masses occurred. Without waiting for the higher authorities (to draw up a set of rules), relying (on the experiences of others), and blaming (the higher leadership), under the leadership of the prefectural party committee, the discipline inspection commission of the prefectural party committee transferred 25 cadres from the relevant departments in the county to organize 5 investigation groups to carry out investigations in 10 coal mines run by townships. Proceeding from the actual conditions of the county, they drew up 10 specific rules and regulations defining mines that could be exploited and mines that could not be exploited. They also told people what work they could do and what work they could not do. Good results have been obtained in the trial implementation of these rules and regulations. In doing so, a specific criterion can be established to distinguish right from wrong so that evil practices of "robbing, occupying, and stealing" and abusing power to forcibly occupy the mines can be stopped. All this has removed obstacles to reform and promoted the development of production. Facts have shown that under the new situation of reform, opening up, and enlivening, new problems have emerged one after another. Our cadres responsible for discipline inspection have never encountered many of these problems. They do not understand and are not familiar with them. Therefore, some defects and mistakes will inevitably occur in their work. To vigorously promote the development of reform, it is requested that our cadres responsible for discipline inspection conscientiously study and master the party's strategic intention of carrying out economic construction and the guiding principle and policy for reform. They should be familiar with the actual conditions of the local economic construction and reform and continuously eliminate the influence of force of habit in their minds and the fetters of feudal traditional concepts. Only by having a thorough grasp of the spirit of the central authorities and understanding the situation at the lower level can they enhance their work efficiency, distinguish right from wrong, differentiate between truth and falsehood, and promptly and truly help reformers free themselves from anxieties and solve difficulties.

Reform is a revolution. Some people praise and support it. Some people find fault with it. Some people make things difficult and undermine it. Some people fish in troubled waters in order to reap some profit. Under such complicated circumstances, our cadres responsible for discipline inspection should keep a clear head, take a clear-cut stand to support reformers, stand in the forefront of reform, help reformers free themselves from anxieties, and be their powerful backings. They should enthusiastically support and resolutely protect those comrades who are carrying out reform wholeheartedly. Nobody is allowed to attack and frame up comrades who are engaged in reform. Once such cases are discovered, they should be immediately investigated and handled. This is the most direct protection and most powerful support for reformers. Regarding those comrades who committed faults and mistakes in their work because of the lack of clear rules and regulations, the obscurity of lines of demarcation in the policy, or the lack of experiences, our emphasis must be placed on educating them and helping them sum up experiences so that they can correct their mistakes and enhance their ideological level of understanding the policy. We should not randomly affix the responsibility of the individuals concerned. It is difficult to completely avoid mistakes occurring in the process of exploration and blazing new trails. They are completely different in nature from unhealthy trends. As for those who made achievements in reform, and also did things violating party discipline and state law, we should not use their achievements to cover up their mistakes or praise their contributions alone without exposing their mistakes. Their achievements and mistakes should be treated as the case may be. The rights and wrongs of the matter should be clear. For example, the Dongfang guesthouse in Guangzhou has truly done well in reform. This should be affirmed. However, one of its managers violated the law, and the case has been handled according to law. As for persons who seized the opportunity of replacing the old system with the new one, availed themselves of loopholes under the pretense of reform, abused power to seek private gains, and were guilty of unhealthy trends and violating the law, we should conscientiously investigate and severely handle their cases. Everyone is equal before party discipline and state law. Their offenses should be handled as the case may be. In so doing, we will defend the authority of party discipline and state law. This is a true protection for reformers. People's concepts on the legal system will thus be strengthened and their consciousness of going about things according to law enhanced. If we let various malpractices of violating law and discipline and unhealthy trends spread unchecked, a world full of corruption and bribes rather than a vigorous situation of reform beneficial to our country and people will be in front of us.

One of the important things we should do in order to support, protect, and promote reform is that we should have a good grasp of the policies. We should on no account use oversimplified methods to handle complicated problems. It seems that oversimplified methods can save efforts and trouble. However, it is impossible for us to obtain good results and win popular support by adopting oversimplified methods. In the course of reform, inconsistency in theories and conflict in understanding will frequently occur. Regarding such problems, we should adopt a prudent policy. We should on no account jump to conclusions or take a hasty action to handle the problems. It should be pointed out that most contradictions inside the party are nonantagonistic and that only a very small number are antagonistic. The antagonistic contradictions characterized by opposing the party and socialism are very rare. Therefore, we should strictly differentiate and correctly handle these two kinds of contradictions, which are different in nature. This is an important line of demarcation in the policy which should not be confused. While considering problems, we should keep a cool head. We should adopt a prudent policy in order to handle the problems well. Regarding complaints about some people, active reformers in particular, we should not heed and trust one side only, and avoid making subjective and groundless conclusions. We should listen to opinions put forward by various quarters, including the opinions of the persons concerned. On the basis of distinguishing right from wrong and differentiating main aspects and secondary aspects of things, we can decide whether we should support or educate them, or investigate and handle their cases. We should uphold the principle, take a clear-cut stand, and adopt proper methods. We should make every effort to prevent the following tendencies: 1) Once some people say that there are obstacles to the implementation of the policy of recorm, opening up, and enlivening, we stop the work of handling the cases of violating the discipline and offenses, which ought to be dealt with, for fear that some people might complain that what we are doing will interfere with reform. 2) When we learn that some localities are handling so many big and important cases, we become hotheaded, wrongly regard faults and mistakes occurring in reform as cases of violating discipline, and treat flexible measures permitted by policy as unhealthy trends. In a word, we should seek truth from facts, and do things in a practical and realistic way. We should not compete with others in figures, speed, and a show of strength. It is not the work style of the party to "rush headlong into mass action," "retreat in a hubbub," and "demand conformity in everything."

We Should Pay Attention To Summing Up New Experiences in Grasping Party Style Amid Reform

At present, the tasks confronting us are: On the basis of consolidating the achievements in grasping party style and carrying out reform, we should be firm and unshakable in continuing to deepen the work of rectifying party style and carrying out reform well. To advance in a better way, it is necessary for us to look back in order to conscientiously sum up new experiences in grasping party style.

Reform is a revolution, and an extremely profound social change. It is unprecedented in terms of scope, influence, and contents. It vigorously started in our country's rural area and has greatly aroused the enthusiasm and creativity of the broad masses of cadres and people, cleaned up the conservative ideas and old traditional concepts in people's mind, and changed people's ideological concepts, mental outlook, and thinking method. An eye-catching achievement has been made within a short period of time. Rural economic structural reform has influenced and promoted the profound development of the entire economic structural reform with emphasis on cities, and has increasingly demonstrated the great vitality of reform. However, reform means breaking paths unexplored by people before, and there is no ready experience, or existing experience, to go by in this regard. We advance in the course of making exploration in practice. We should take one step and look around before taking another, and proceed with caution. On the path of making exploration and opening up, we have achieved some successful experiences and inevitably committed mistakes and defects. Very often, favorable and unfavorable situations occur alternately. After implementing the policy of opening up and enlivening, some negative things will inevitably be brought into our country. If we fail to deal with them conscientiously, our policy of opening up and enlivening will take an evil way. Therefore, rectifying party style is a long-term work. In the course of grasping party style and carrying out reform, we should sum up experience after we have "fought each battle." We should scale new heights, find out laws of development of things, enhance our consciousness, and reduce our blindness. We should frequently review the path we have explored and constantly sum up experience in order to preserve achievements and overcome mistakes, carry forward merits, and overcome defects. It is absolutely necessary for all comrades to do so, leading comrades in particular, in order to rectify party style and do well in carrying out reform. On this historical stage of reform, the masses have created many new experiences. We should sum up these positive and negative experiences so that they can guide our work. The significance and role of so doing should not be underestimated.

The Central Discipline Inspection Commission has recently held several separate discussions in institutions directly under the central authorities, state organs, and various provinces and regions to sum up the experiences in grasping party style and carrying out reform. The main experience we have achieved is that the party committees should attach importance to party style and the whole party should grasp it. This is a basic guarantee for the rectification of party style. We should stick to the practice of "grasping reform with one hand and party style with the other," and shoulder the two great tasks simultaneously. Profoundly conducting education in party spirit, party style, and party discipline is an essential way for effecting a fundamental turn for the better in party style. Implementing the responsibility system of "three fixes and one contract" (fixing leaders, working personnel, and timetable, and assigning tasks based on contract) is an effective measure for handling big and important cases. We should also adopt "comprehensive methods" to grasp party style and work style of the people, resolutely overcome unhealthy trends in trades and services, and strengthen discipline. These experiences are varied and many, rich in content, and feasible. Some of these experiences are tantamount to "legislation" in minds, some are tantamount to supervision by the organizations, and some others are tantamount to guarantee in system. Practice has shown that as long as we conscientiously sum up experience, our perceptual knowledge will be raised to the level of theory. We can thus make new theoretical generalization and work out new measures so that our system and policies will be constantly perfected. In so doing, we will gain the initiative in leading work. Leaders must integrate with the masses, and the upper levels must integrate with the lower ones. We must pool the wisdom of the masses, and regard the process of summing up experience as a process of grasping party style and carrying out reform by the masses. In such a way, we will be able to devise strategies, ensure our success in the complicated social changes, and avoid detours. Even if we have taken a roundabout course in work, our defects can be easily corrected. Correctly summing up experience is an effective method for enhancing the level and capability of leadership. As long as we persist in doing so, we will be able to constantly find out new things, accumulate new experiences, and solve new problems.

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CSO: 4004/65

TAKE A DIALECTICAL VIEW OF YOUNG CADRES' STRONG POINTS AND WEAKNESSES

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 16-19

[Article by Li Kan [2621 0170], Xingtai Prefectural CPC Committee secretary]

[Text] Much gossip has been going on about the strong points and weaknesses of young cadres since a large number of them were placed in leading posts. Some people see more of the strong points of young cadres and neglect their weaknesses, but others, including some old comrades, often see more of young cadres' weaknesses in evaluating them. This has affected the sincere cooperation between new and old cadres, impeding young cadres in giving play to their enthusiasm and creativity. As a long-standing veteran cadre, I have a deep understanding through practice in recent years that it is very important to take a dialectical view of young cadres' strong points and weaknesses so as to handle well the contradictions between new and old cadres.

According to materialist dialectics, it is primarily necessary to fully understand the strong points of young cadres in evaluating them. Young cadres are the new rising forces of our cadre contingent. Their coming up has added vitality and vigor to the leading bodies. Since structural reform was carried out in Xingtai Prefecture, nearly half of the leading cadres of party and government organs at county level are newly promoted young comrades. As a result of the close cooperation between new and old comrades who have united and fought shoulder to shoulder, Xingtai, which was originally a backward area in Hebei, has made rather great progress. Today, Xingtai ranks top in the province in cotton production and the developing rate of enterprises in towns and townships, and the per capita annual income of the prefecture has increased by more than 130 yuan within 2 years. In the practice of developing economy and invigorating Xingtai, young cadres have fully developed their role, and vividly demonstrated their particular strong points. First is their advantage in age. The process of metabolism is an irresistible objective law, and every man will go through the process from youth to old age. The more advanced in age old comrades grow, the more they find it difficult to take up burdensome work, while young cadres are in the prime of their life and energetic and can fulfill their tasks even if they are a bit heavy. It is often the case in our work that in order to solve a problem as quickly as possible, cadres are required to go wherever the situation requires, working 24 hours on end. Generally speaking, old comrades will find it difficult, while young cadres can make it. Second, the advantage in culture. Generally speaking, because of the difference in objective environment and social educational conditions, old comrades are inferior to young cadres in accepting systematic modern cultural training. Practice has proved that comrades with a wider range of knowledge are better than comrades with a lower educational background in summing up and absorbing experiences with a nature of guidance and regularity. And third, a stronger enterprising spirit. Young cadres are full of vigor and vitality and active in thinking. They have less conventional ideas and a stronger sense of blazing new trails, making progress, and rendering meritorious service. Since 1985, we have unfolded among cadres throughout the prefecture "activities in drawing up targets for struggle, setting up records of actual accomplishments, and implementing the system of awarding prizes for meritorious services," which provides an arena for young comrades to work with originality. A young cadre of a unit directly under the prefectural authorities was sent to work as county CPC committee secretary in a county where the natural conditions are the poorest in the region. The county in question has long been poverty-stricken and backward, and quite a few comrades had lost confidence in changing its backward features. Through investigation and research, and scientific demonstration, he proposed a plan for development with specific measures conforming to the actual conditions and worked out a "responsibility pledge for fulfilling certain targets during term of office, which was made public for the supervision of the masses. Moreover, he appointed cadres based on their actual accomplishments, promoting path-breakers and removing losers from office, which has boosted the morale of the cadres contingent and reinforced the confidence of cadres and the masses in changing the backward features. This fully demonstrates the young cadres' spirit of blazing new trails and making progress.

When we affirm the strong points of young cadres, it does not mean that we are denying their weaknesses. Neither failure to see their strong points nor indifference to their shortcomings is the attitude of a dialectical materialist. Based on my observation in practical work, I find that young cadres' weaknesses can be summed up as a whole in the following aspects: 1) They are not as firm in their political faith as old comrades. Young cadres have a comparatively shorter work experience, lacking enough time for tempering in an arduous environment and personal experiences in comparing the new and old social systems. They have more book knowledge of scientific socialism than practice, and some have not even made systematic study of the theories in books. Therefore, when some practical problems crop up, they are often not as steady and firm as old comrades, and they waver. 2) Their attainment in party spirit is not as mature as old comrades. Most young cadres have been recruited in the party organization since the "Great Cultural Revolution" and have not gone through strict tempering of inner-party life. Some young cadres are not on a par with old comrades in their sense of organization and discipline, style of arduous struggle, and self-consciousness in remolding their world outlook. 3) Their leadership is not as all-round as that of old comrades. Generally speaking, leading cadres should acquire ability in four respects: ability to understand things, ability to handle affairs, ability to handle all kinds of relations, and ability to comprehend. Young cadres are weak in some of these respects. For example, a young leading cadre who has had more contacts with me erroneously confused the normal handling of human relations with exchanging favors and flattery and going in for establishing "connections." There is some gap between young and old comrades in the breadth and depth of understanding the whole course of certain matters, in handling complicated contradictions, organizational coordination, taking care of the overall situation, as well as making resolute decisions. 4) They are not as sensible in their work methods as old comrades. Many of the young cadres used to be professional or technical cadres, unfamiliar with the all-round leadership and administration at grass-roots units. For example, when some comrades take up the chief responsible posts at county level, they continue taking care of everything, become occupied all day with routines, and fail to grasp the focus of work as a result. Such comrades need to learn from old comrades in building ties with the masses in breadth with ease, mastering the rhythm of work, steadily performing their work without getting into a muddle, operating from a strategically advantageous position, as well as drawing inferences about other cases from one instance.

The correct attitude regarding young cadres' weaknesses is seeking truth from facts and giving them enthusiastic assistance. However, some of our comrades are exaggerating things one-sidedly, reproaching young cadres irresponsibly, and even indulging in gossip. If we probe the reasons for this, we will find that aside from the long-term leftover effects of feudal ideology, such as "the aged are respectful, the young lowly," "the young are not steady in handling affairs," there are also such outmoded concepts as considering qualifications and arranging ranks according to seniority and the life tenure system, and also selfish ideas. Individual old comrades lack the due broad vision, and they are afraid that the young cadres might catch up with them and render greater meritorious service. Others believe that it is they themselves who have selected and promoted the young cadres, so they have the say, in matter of personnel in particular; once their personal will is countered, they say the young cadres "have become conceited." Some even fail to understand that things are changing, that rules and regulations should continuously develop to meet the new situation, while stressing "conventional rules must be followed," and when young cadres have reformed the backward old rules and regulations they were used to, they say the young cadres had "negated them" and "turned everything upside down." What is more serious is the metaphysics in the way of thinking. Some comrades deviate from the view of dialectical materialism when evaluating young cadres, and exaggerate and make absolute some of their weaknesses, resulting in the one-sidedness in understanding. All this is not favorable to giving play to young cadres' strong points and will hinder their doing practical work, blazing new trails, and forging ahead to make progress.

"The replacement of personnel, the coming to, and removal from office is a rule in history as well as today." Fulfillment of the cooperation and substitution between the new and old of the cadres contingent is an important strategic decision of the Central Committee based on the dialectics of historical development. Correct understanding and handling of young cadres' strong points and weaknesses is a new topic proposed under the new historical condition to our old cadres, those still taking up chief responsibility in particular, and an important essence in correctly handling inner-party contradictions. Based on Marxist theory of cognition, we should ponder over this question in the following respects.

First, it is necessary to take a dialectical view of young cadres, with the concept of the unification of opposites. The law of unification of opposites tells us that contradictions exist in any matter. The mutual opposition, connection, restriction, and conversion of the opposites of a contradiction push ahead the development and progress of matters. Young cadres' strong points and weaknesses are different from, but connected with, each other. Such a dialectical relation exists in the entire course of their growth. Only when we have a clear understanding of this relation will it be possible for us to have an overall understanding of young cadres and to deal with them correctly. First, we should see the difference between their strong points and weaknesses. An objective evaluation should be made on what their strong points are, and what their weaknesses, what is major and essential, and what is minor and nonessential. We should not confuse them, nor should we turn things upside down; neither should we exaggerate things, nor underestimate them. Otherwise, we will lose our principle and prejudices will result. And second, which is more important, it is necessary to see the close link between strong points and weaknesses. Young comrades' strong points and weaknesses are often interwoven, which should not be isolated and separated. If we see only young cadres' strong points, we will become not so enthusiastic about giving them necessary assistance, which will not help their healthy growth. But if we see only young cadres' weaknesses, it will result in suppressing the growth of qualified people, which in turn will affect our great cause. "Outstanding qualified people" in reality are often remarkable for their strong points, while their shortcomings are as conspicuous. The following situation will often emerge in the course of evaluating them: Some characteristic is regarded as a shortcoming from one angle, but a strong point from another angle. So long as we make an overall analysis, it will not be too difficult to draw a correct conclusion. In the course of promoting a young cadre to a county-level office not long ago, two diametrically opposed opinions emerged: Some people believed him to have the spirit of blazing new trails, with outstanding accomplishments in work, and a rare qualified person; others believed him to have too strong a character, a quick temper, and be liable to hurt others. And they concluded that he was not suitable to take up the chief responsibility. Through overall analysis, we did not make his shortcomings shadow his virtue, but placed him in an important post; at the same time, we sincerely pointed out his weaknesses. After this comrade took office, he accepted the criticism and help of his comrades, attached attention to bringing forward his strong points and overcoming his weaknesses, and soon created a new situation. This example tells us that young cadres' strong points and weaknesses may be mutually converted under given conditions. True, their strong points are the inner cause for their becoming qualified people, but without excellent external conditions, such strong points would fail to be given play. Likewise, their weaknesses will not remain unchanged; so long as we are good at giving them guidance, their weaknesses can be overcome. Zheng Banqiao, a scholar of the Qing Dynasty, wrote in one of his poems: "The young bamboo is taller than old, relying solely on the support of the old trunks." The old comrades in new leading bodies are to bring forward the spirit of a "human staircase," supporting young comrades selflessly, cooperating with them in sincerity, being good at adroitly guiding action according to circumstances, helping young comrades to bring forward their strong points and to overcome their weaknesses, and reminding them what they have overlooked, creating a fine objective environment for them, so that they may undergo tempering and become mature with each passing day in the course of fully giving play to their wisdom and intelligence. This is our solemn political task above all else.

Second, making concrete analysis of specific questions. At present, it is especially necessary to stress making concrete analysis of specific questions the living soul of Marxism in acquiring a correct view on young cadres. Under different given social environments and historical conditions, the roads of development of new and old cadres are different. Hence, the difference in their thinking habits, modes of behavior, work styles, and leadership styles. We cannot require our young cadres strictly to follow the example of old comrades and mold the younger generation in our own image. Even young cadres themselves have different characteristics; we should see what is common in them, but more so should we see individuality. It is not difficult to see that they are of diversified categories. In spiritual state, some are bold at blazing new trails and making progress, and they have an indomitable spirit, but sometimes they do not attach attention to the scientific nature of things. Others are responsible in their work, meticulous and steady, but they lack originality. Regarding their professional level, some are familiar with party work, others are familiar with one aspect of economic work. But on the whole, most are keen on certain specialities, but few are developed in an all-round way. In leadership style, some are bold and resolute, doing things in a big way, and are quick in making a breakthrough of the situation; however, they are not tenacious enough. Others are steady in their work, do not like to act the swashbuckler, but work in a down-to-earth manner; however, they lack boldness of vision. Therefore, in practical work, it is necessary to attach attention not only to grasping well the training of young cadres in Marxist-Leninist theories, administrative knowledge, and method of leadership, but also guiding them in accordance with their aptitude, dividing them into different categories, and helping them give play to their strong points and overcome their weaknesses through diversified forms and channels, so that they may upgrade their qualities and improve their intelligence and ability. Besides, attention should also be attached to making differentiation in the following two respects: First, it is necessary to differentiate the entity and the part. When we say that young cadres have specific strong points and that their weaknesses can be overcome in the course of making progress, this is referring to the entity. Of course, there are some individuals whose selfishness and personal desires have expanded so seriously that "once they are in power, they will abuse it," and went so far as to violate the law and discipline. We should not place such people in important positions even if they are "extraordinarily talented, and men of immense and multifarious learning." It is not strange that certain similar "substandard goods" should emerge, neither will it affect the whole situation; all we must do is replace them. And second, it is necessary to differentiate between a mistake made by chance and the consistent behavior of young cadres. To understand and examine cadres historically, truth-seekingly in an all-round way, and to correctly evaluate the merits and shortcomings of cadres has been the party's long-standing policy for cadres. Old comrades have been so treated, and there should be no exception for the young comrades. We should not completely negate young comrades simply because of mistakes by chance. We must be prudent regarding the evaluation of every young cadre; under no circumstances should we adopt the metaphysical way of thinking, making no differentiation between things, refraining from making analysis, and taking a one-sided view instead of viewing things in an all-round way.

Third, it is necessary to adhere to the concept of placing practice above all else. Bringing up qualified people is different from building machines. All properties of an advanced machine can be designed before production, while the tapping of potentials of talents and the upgrading of their qualities will be realized step by step in the course of practice. Mistakes and setbacks are inevitable in the growth of qualified people as the tumbling of a child learning to toddle and suffocating by water in learning to swim. The tumbling of young cadres in their initial steps is often not the record of failure, but the starting point of success. We should not cold-shoulder young comrades when they have some shortcomings, reproach them when they have committed some mistakes, and be easily convinced by gossip. Many of our old comrades were "teenagers" when they joined the revolutionary rank and file, and they did many "foolish things" when they were young; however, they have improved their ability and intelligence in the course of practice. Our young cadres today will be tempered and improved in their skill of leadership only through practice. Of course, the patient guidance and support of old comrades are indispensable. A county under our prefecture has rather good agricultural production conditions, but it was "a poverty-stricken county with high yield in production" and it had to rely on financial subsidies every year. Since a young cadre was appointed to the chief leading post there, he has gone in for industry in a big way directed at the situation. Because he was too eager for success, many projects were initiated, measures to make complete sets of these projects failed to follow, and the effects were not so ideal at first. But the leading comrades of our prefecture CPC committee and commissioner office did not blame him for it, but concretely helped him analyze the causes and draw up measures. With their continuous efforts, the situation has rapidly improved. Through this incident, we come to understand that the practice of the four modernizations under way is different from the past both in breadth and depth. The reform of the economic structure under way in particular is a new question even to our old comrades. Therefore, the spirit of practice is needed all the more. In the course of practice, the experiences of young cadres accumulate with each passing day, and their ability and intelligence will be gradually improved. We should not spoil things with excessive enthusiasm, nor should we be over-critical, the more so should we refrain from "making someone a hero for one single action of his." Practice is a process, and we should not go in for "the theory of completion with one step." The correct method to bring up young cadres is daring to place heavy burdens on their shoulders, which is very important. An ancient saying goes: "Through employing talented people it will be possible to find whether they are able." Practice is the only criterion for evaluating cadres, and their actual accomplishments should determine their promotion or demotion; only then will the party's cadre policies be correctly implemented. At the same time, we should be good at guiding them to go deep into the realities of life, to establish ties with the masses, and to exchange experiences of leadership and administration with them linking with specific work, studying and discussing the method of leadership, in order to upgrade their ability of applying Marxist tenets to solving practical problems. In our work of bringing up young cadres over the past few years, we have precisely taken the principle of "putting practice above all else" as guidance, persisted in helping young cadres through practical work, and urged them to learn from others' strong points to offset their weaknesses, so that they may change from "specialized people" to "people with overall knowledge." We have urged them to change from the closure-type single-trade ideology to the open-type multi-directional ideology, from mechanical imitation and passive execution to the behavioral mode of being active on their own and blazing new trails with originality; from relying on administrative command and issuing orders to "service-type leadership," and from making subjective strategic decisions relying on books to scientific administration starting from realities. So doing, we have initially got better results. In the course of building the two civilizations in our prefecture, the role of young cadres as fresh troops is making itself felt.

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CSO: 4004/65

AN INVESTIGATION OF THE RURAL COOPERATIVE ECONOMY

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 20-23

[Article by Su Xing [5685 2502]]

[Text]

I

From 19 April to 16 May, a comrade of the RED FLAG Editorial Department and I went to the rural areas in Shanxi, Shaanxi, and Henan to make an investigation, mainly to familiarize ourselves with the situation of development of rural cooperative economy. We had get-togethers with the relevant departments of the three provinces, three prefectures (Linfen and Yuncheng Prefectures in Shanxi and Weinan Prefecture in Shaanxi) and five counties (Taigu and Yicheng in Shanxi Province, Dali in Shaanxi Province, and Wuzhi and Tangyin in Henan Province) and visited 16 cooperative economic organizations. The cooperative economic organizations that we investigated were of the following types:

1. The type of organizations that operate under centralized management with a responsibility system that links remuneration with output. Organizations of this type are the Hongda Enterprise Company, Shuimen Street, Linfen city, Shanxi Province; Yuan's village in Liquan County, Shaanxi Province; and Baizhuang village, Zhengzhou city, Xihuafeng village, Wuzhi County and Liuzhuang Agricultural, Industrial, and Commercial Combined Cooperative, Xinxiang County, Henan Province. Nearly all these villages and cooperatives had been advanced units since the cooperative transformation of agriculture, and had been established quite well, and had relatively stable cadres. Since the 3d Plenary Session of the 11th CPC Central Committee, they had carried out a reform in their management system, readjusted their composition of production and achieved a new development of their cooperative economy. This type of cooperative economy accounted for only a small percentage of our rural households. In Shanxi Province, the percentage was 5-7 percent while in Shaanxi, it was only 0.7 percent.

2. The type of organizations that operate under a combination of centralized and decentralized management at two levels. These organizations were the Menggaocun Agricultural Cooperative in Taigu County, Shanxi Province; and Leibei and Xinguan villages in Dali County, Shaanxi Province. The administration and management of these villages and cooperatives were both centralized

and decentralized. Roughly, their industry, sideline undertakings and water conservation facilities were managed in a centralized manner, while their agriculture was managed in a decentralized manner. According to Shaanxi Province's statistics, taking the province as a whole, 65.6 percent of its households were actually under these dual levels of administration and management; while in the villages and cooperatives that accounted for 33.7 percent of rural households, the dual level administration and management existed only in name and there was in fact no centralized administration and management.

3. New combines. They are the Liuchangfu Vegetable Combine, Taiyuan city, the Taigu County Melons Research Society, the Beiticun Combined Agricultural, Industrial and Commercial Company in Yongji County and the Jiangkoucun Combined Livestock Farm in Ruicheng County, Shanxi Province; and the Baiyangxiang Chicken Breeding Society at Weinan County and the Chishuizhen Green Chinese Onion Society in Huaxian County, Shaanxi Province. They were mostly founded on the basis of the specialized households and were specialized joint ventures. Through providing technological service for rural households before, during, and after their production, these combines had gradually grown into economic and technological development centers. Cooperative economic organizations of this type did not account for a large percentage of rural households (3.6 percent of the total number of rural households in Shaanxi Province in 1984) and had not been very stable, but they were well accepted among peasants.

II

Since the CPC Central Committee's Document No 1 for 1985 called on people to conscientiously develop and perfect rural cooperative system in accordance with the principle of voluntary participation and mutual benefit and the demand of the commodity economy, all three provinces have paid close attention to making investigation and study related to the rural cooperative system and have done a lot of work in this area.

Comrades in Shanxi reflected that for some time, people did not dare to mention or publicize the cooperative economy for fear that it would affect the stability of the responsibility system geared to households. Some cadres had a misunderstanding about the changes in rural administrative system and they established townships and villages without simultaneously setting up cooperative economic organizations. They said that "the communes have been changed and so have the brigades, production teams have been disbanded, and cooperatives have finished." As no one was in charge of the cooperative economy, the management of some communes and brigades were improperly assigned by contracts and this has caused the collective property to suffer various degrees of loss.

Are peasants afraid of the cooperative economy? The answer given by comrades in Henan is: The peasants are afraid of the old type of cooperation, but they welcome new combines. By old type of cooperation, they meant the old practice of concentrating means of production compulsorily by orders, carrying out egalitarian distribution, eating out of the same big pot, and organizing labor in a blind and centralized manner. Our peasants opposed this type of cooperation. By new combines, they meant the development of diverse forms of cooperation and combines under the precondition of stabilizing family operation and ensuring peasants' decisionmaking power over their undertakings and in accordance with the principle of voluntary participation and mutual benefit. This will enable production and circulation to develop in the direction of specialization and socialization and thus meet the demand of the development of the commodity economy.

Judging by what we found in the villages and cooperatives under our survey, the following forms of combines and cooperation are well accepted by our peasants.

First, within the scope of the original collective economy, water conservation facilities, agricultural machinery, and other equipment are managed in a centralized manner to provide free and paid service for rural households before, during, and after their production. For example, the Menggaocun Agricultural Cooperative in Taigu County, Shanxi Province (which had a leading group with members identical to those of the village's peasants committee, but was an entity different from the committee). There were 817 households, 3,267 people and 6,597 mu of farm land in this cooperative. After the establishment of the responsibility system geared to households with remuneration linked to output in the winter of 1982, a regional cooperative economic organization--an agricultural cooperative--was set up in the summer of 1983, under which there were a water and electricity company, a farm machinery service company, an agricultural technology service company and financial and accounting service team to provide service for peasant households. The water and electricity company exercised a centralized management over the water and electricity facilities of the original nine production teams, was in charge of the planning, construction, use and maintenance of the water conservation capital construction for all the farm land and of all the water and electricity facilities in the whole village, and was assigned the task of supplying water for irrigation of farm land and people's livelihood, the water and electricity needed by industry and sideline undertakings and the electricity for lighting. The company signed responsibility contracts with the cooperative providing that the agricultural cooperative was to provide the funds for the investment in additional water and electricity facilities from its public reserve and the profits delivered to it by its industrial and sideline undertakings and that the company was assigned all-round responsibility for the maintenance, repair, and depreciation of the existing water and electricity facilities, collecting all the charges on water and electricity supply for its own costs and wage payments and retaining all its profits without being subsidized for its losses. The company provided paid service for peasant households, was an independent accounting unit, shouldered sole responsibility for its profits and losses, and paid piece-rate wages to its employees who earned more when they did more work. By so doing, the cooperative has not only ensured the protection and operation of the existing water and electricity facilities, but also built 5 kilometers of leakage-proof channels, 30 houses for motor-pumped wells, overhauled 32 of the pools and foundations for its wells, renewed and transformed 12 medium-depth wells and installed running water facilities for all the peasant families in the past 3 years. Because of the centralized management, water consumption has been reduced, water and electricity costs has been lowered and so were the charges on the peasants. This has promoted the development of production. As a result, the total grain output rose from 2.62 million jin in 1980 to 3.83 million jin in 1985.

Second, on the basis of the enterprises run by the brigade and on the foundation of the responsibility system geared to households, specialized combines were set up beyond the boundary of areas and ownership to link production, transportation, supply and marketing and combine agriculture, industry, and commerce. For example, the Beiti Combined Agricultural, Industrial, and Commercial Company in Yongji County, Shanxi Province. In 1981, according to the desire of the masses of people, this brigade adopted the form of the responsibility system where agriculture was carried out by households separately, industry was carried out in a cooperative manner, and marketing and service were conducted in a centralized manner. It set up a joint venture with share capital with eight nearby natural villages and thus raised 200,000 yuan of funds. One after another, a cold storage of 100 metric tons capacity, two processing workshops and one mechanical and electric workshop were set up, which had gradually grown into a combine with the capacity of processing 550 metric tons of meat and vegetables. Through years of development, it has now grown into a combine with a storage facility (cold storage) and four factories (a combined meat factory, a quick frozen vegetable processing factory, an industrial oil processing factory, and a livestock breeding farm) as its core and with 24 cooperative economic organizations at village level under it. Its membership has grown to 1,112 peasant households and a state-owned enterprise has joined this combine.

In a combined enterprise, family undertakings were in the main cultivation, animal breeding, the hunting of wild birds and beasts, purchases, rough processing, and the purchases, transport and sales of mules, horses, cattle and sheep to provide raw materials for the processing factories. The village cooperative economic organizations mainly provide various water, electricity, and transport services for peasant households; help and organize them to arrange their plans to grow crops and readjust their production mix in the light of the information provided by the company and the processing capacity of the factories; and set up and run undertakings of public welfare to help the development of production. The factories were operated independently, were independent accounting units and were awarded an additional percentage of retained profits when they overfulfilled their profit quotas. They paid basic wages plus bonuses to their management cadres and piece-rate wages to their workers. The company mainly carried out commercial business for the supply and marketing of goods for all the units under it. In 1985, its accumulated fixed assets grew to 1.4 million yuan, its gross output value for the year was 6.4 million yuan and its profit was 700,000 yuan.

Third, the township science popularization societies guided the specialized households with professional skills in the township to set up specialized societies, which employed specialists to train backbone cadres, teach technology and provide technological services for peasant households. For example, Baiyang township in Weinan city, Shaanxi Province was a township with 9 administrative villages, 69 villager groups, 4,123 households, and 17,032 people. Since 1982, it has developed its chicken-breeding industry. It adopted the method of "providing training for one skill." First, it held young chick breeding, medium chicken, and mature chicken raising professional training courses in its farming school and invited professors and lecturers from the Northwest University of Agriculture and technicians of animal vaccination centers to give systematic lectures on the technology of chicken farming and thus popularized the scientific knowledge of chicken farming. Over the past few years, it has held 27 training courses attended by 1,060 people, among whom 572 were all technological workers of the households specialized in chicken breeding in the township. At the same time, it distributed pamphlets on chicken farming, provided advisory services and thus helped chicken farmers solve their actual problems. In order to improve the breed of their chickens, it had acquired 50,000 chickens of fine breed from the Northwest University of Agriculture and the provincial fine-breed chicken farm including the fine breed "Xinzha 288" and "Japanese Leghorn." It had established 7 chicken brooding farms which had turned out 230,000 chicks of fine breed. By 1984, 98.6 percent of the chickens in its farms were of fine breed.

The Chicken Breeding Society set up a combined chicken breeding company under it (members of the company's leading group were identical to those of the society's) and a chicken food processing factory to provide mixed food for chicken farmers and market products for them. In 1985 alone, it sold 600,000 eggs of fine quality and 150,000 chickens.

At the end of 1985, the township had 96,600 chickens, 5.7 per capita and 23.4 per household and earned 2.16 million yuan from its chicken farming for the whole year, which accounted for 32 percent of its total income from agriculture. The per capita income from chicken farming was over 500 yuan, being 122.7 yuan per person, which accounted for 37.3 percent of the per capita annual income. Now, the number of specialized households that each breed over 100 chickens has risen to 572 and two villages--Nanhuan and Jishang villages--specialize in chicken farming.

Fourth, among the cooperative economic organizations that operated under centralized management with a responsibility system that linked with output, the units that achieved a relatively high growth rate of production and in which the members' income rose relatively quickly, were popular among peasants. For example, the Liuzhuang Agricultural, Industrial, and Commercial Combined Cooperative had 218 households, 1,300 people, and 1,904 mu of farm land. Since the 3d Plenary Session of the 11th CPC Central Committee, it has not implemented the system of assigning all-round contracted responsibility to households with remuneration linked with output, but has adopted the management method of "centralized management, specialized production, coordinated division of labor, and meting out award and punishment linked with output." Now the cooperative has set up seven specialized sectors including agriculture, forestry, livestock breeding, industry and sideline undertakings, commerce, farm machines and construction, and has 36 business units under it. Each unit signs contracts of all-round economic responsibility with the combined agricultural, industrial and commercial cooperatives in the same village. Some of the contracts assigned responsibility directly to factories and teams, others did so directly to workshops and work teams and still others did so directly to individuals (such as those concerning livestock breeding). Labor was switched to and fro between agriculture and construction sectors. In idle agricultural seasons, agricultural workers could take more construction jobs and in busy agricultural seasons construction workers could undertake agricultural tasks. Awards and punishment were meted out according to output. The method was called "five fixed quotas and one award" namely, fixed quotas concerning investment, work force, wages, output value and profit and awards and punishment being determined according to the fulfillment of quotas fixed by the contracts on annual net profits.

In 1985, Liuzhuang earned a total income of 6.3 million yuan (of which 500,000 yuan came from agriculture), 4,846 yuan per person. Work points were given to both those engaged in industry and in agriculture. The work points for a work day were worth 7.9 yuan. The earnings of those engaged in agriculture were 5 percent lower than those engaged in industry, but the difference was small. There was quite a lot of collective welfare, including free medical services, free education for children from kindergarten to senior middle school, free barber service, free bathrooms, free housing and free water supply. In 1985, in the annual average income of a cooperative member, 1,300 yuan came from the distribution according to labor, 130 yuan was collective welfare, and 100 yuan came from family animal breeding. The real income was more than 1,500 yuan.

III

Judging by the situation in the three provinces, in most of the rural areas, households continued to play the major role in developing and perfecting the cooperative economy and services under unified management were increased and diverse forms of coordination and cooperation were developed under the precondition of stabilizing the operation of family undertakings and safeguarding peasants' decisionmaking power over their operation.

There are limitations in family operation itself. For example, the small scale of operation, the scattered means of production, the poor access to market information and the poor ability to sustain natural disasters and accidents. However, through cooperation and combines, these limitations can to some extent be overcome. For example, by expanding the scope of their centralized operation, rural regional cooperative economic organizations can solve many problems that a household cannot solve alone; and the various kinds of new combines that have developed on the foundation of family operation can expand the scale of their operation, sharpen their competitive edge and thus meet the demand of the development of the commodity economy. Now the peasants are afraid of the "cooperative transformation of agriculture." This is mainly because they fear that the family undertakings will be abolished. If we first reassure them about this, and then talk about developing and perfecting the cooperative system, then our peasants will not have so much to worry about.

The cooperative with family undertakings as the core and dual levels of operation is full of vigor. In the suburbs of Taiyuan city, we visited the Liuchangfu Vegetable Combine. This combine was set up by five peasant households voluntarily. Liu Changfu was the major one and his son-in-law, brother-in-law and others joined him. It developed very quickly from 1983 to 1985. The state and brigade invested in the establishment of eight big hothouses. In addition, there were also 22 mu of small hothouses. In 1985, 500,000 jin of vegetables were produced, earning a total income of 45,000 yuan. The value of a labor day was 7.4 yuan. For the first few years, the cooperative operated in a centralized manner. Owing to the practice of eating out of the same big pot, there were always some people who wanted to do less work but earn more; therefore, there were often quarrels. Last January, they were separated through consultation and the practice of assigning contracted responsibility to households and dual levels of operation was carried out. The methods were: The hothouses were managed in a centralized manner and so was the work to grow seedlings, the formulation of farming plans, the supply of means of production, and the prevention and treatment of pests and diseases. Two mu of vegetable land was assigned to each person, including half of a big hothouse (one big hothouse is assigned by contract to two laborers), 0.35 mu of grape land, and 1.4 mu of small hothouses. Each household was an independent accounting unit and was to sell vegetables within the quota fixed by the contract in a centralized manner, but could sell on its own any vegetables that it produced in excess of the quotas. Since they were separated, the production initiative of all the households has surged. Last January alone, they applied more fertilizer than they did in 4 months in the past.

Our survey showed that the villages and cooperatives that assigned specialized responsibility had indeed displayed the superiority of the cooperative economy in developing their production quickly and in becoming rich together. However, without exception, industry and sideline undertakings were the major sectors in these villages and communes while agriculture accounted for only a small percentage of their operation. For example, Yuan's village in Liqun County, Shaanxi Province had 52 households, 212 people, 98 able-bodied laborers, and 380 mu of farm land. In the past, it was engaged only in agriculture and it was not until the 3d Plenary Session of the 11th CPC Central Committee that it began to engage in industry and sideline undertakings. One by one, it has set up a cement plant, a brick factory, a limestone factory, a cattle farm, a construction team and a transport team. In 1980, it earned a total income of 200,000 yuan, which rose to 360,000 yuan in 1983. As its cement plant went into operation, its total income rose to 1.62 million yuan in 1984 and 3.22 million yuan in 1985. In 1985, agricultural income only accounted for 2.8 percent of its total income. In this village, a specialized team was set up to engage in agriculture as in the industrial and sideline undertakings (the team had 30 people). Each member of the team was assigned the contracted responsibility for the farming of a portion of the land and the whole team was managed by quotas. Piece rates were paid in industry. Work points were the base of calculation for both industry and agriculture. In 1985, the value of each work day was 8 yuan.

However, conditions were quite special for these cooperative organizations that are managed in a centralized manner with a system to assign specialized responsibility by contracts, therefore, there may not be great development of this kind of organization in the near future.

Now, things are different for the regional cooperative economic organizations that have been set up in the three provinces. Henan Province set up combined cooperatives relatively early (not in full accordance with the original plan). Shanxi has set up 1,584 township and town cooperative economic organizations, accounting for 82.4 percent of the total number of townships and towns. It has also set up 22,315 village cooperative economic organizations, accounting for 69.7 percent of the total number of villages. The comrades in that province held that the advantage in doing that was that it was easy to gradually solve the problems related to the provision of water conservation, vegetation protection, vaccination and machine plowing within the original scope of the collective economy and in accordance with the principle of centralizing what had to be centralized and decentralizing what had to be decentralized; and it facilitated separating government functions from the functions of enterprises and enabled the cooperative economic organizations to have the status of legal persons. For example, in assigning land by contracts, a party to the contract could not be a party branch or villagers group, because neither of them was an economic legal person. This would facilitate a satisfactory financial consolidation of the cooperative economy. The problem was that in a fairly large number of villages and cooperatives, there was originally not much collective property and some of the property had been entirely divided up among the members. Even if cooperative economic organizations were set up now, they would not be able to play much of a role in conducting centralized management and would exist only in form. Therefore, Shaanxi Province has not set up such organizations in haste.

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CSO: 4004/65

EXPLORING THE WAY TO MODERNIZATION OF LIVESTOCK BREEDING ON GRASSLAND IN CHINA

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 24-27

[Article by Ba Alatengaoqier [1056 7093 2139 7506 2407 0366 1422]]

[Text]

I

The process of the reproduction of our livestock breeding is a unity between the process of the reproduction of plants and that of the reproduction of animals. If people want to get more and better livestock products of various kinds, they must study the objective laws concerning the close coordination between these two processes of reproduction and correctly handle the relations between animals and grass. But for a long time, we lacked this understanding and failed to adopt vigorous measures to intensify the construction of our grassland. We carried out our production blindly and bred more animals than the grassland could feed. As a result, we aggravated the contradiction between people and animals and grass, with serious consequences. In 1981, of the 3.3 billion mu of usable grassland in our country, 1.16 billion mu or 35.2 percent could not be fully used because of water shortage; 770 million mu or 23.3 percent was deteriorating or becoming deserts because of excessive use; 850 million yu or 25.8 percent was being destroyed by rats; and 160 million mu or 4.8 percent was being destroyed by pests. As the production capacity of our grassland fell year by year, so did the number of animals. In addition, the quality of animals became increasingly worse. Over the past few years, some areas have drawn lessons from this, paid attention to organically coordinating the primary production (the production of plants) with the secondary production (the production of animals) and thus scored heartening achievements. Since the 1970's, Xianghuang Qi in Nei Monggol has begun its construction of grassland. Since the 3d Plenary Session of the 11th CPC Central Committee, it has readjusted, coordinated and improved its efforts in developing its grassland. In 1984, the area of its tilled grassland rose to 885 million mu, each mu of which yielded twice as much grass as the natural grassland did there, and turned out over 70 kilograms of stored grass for each animal to consume in winter every year. At the same time, it rationally readjusted the number of animals on the grass at an average annual growth rate of 29.47 percent, its ratio of animals killed and sold to animals at year end was 32.46 percent, and it kept over 98 percent of the animals it bred alive.

Practice has proved that in developing livestock breeding on our grassland, we should regard the development of the grassland and the production of grass and food for animals as the key link. First, we should fix the number of animals in the light of the amount of grass, control the intensity of grazing and the density of breeding, put an end to excessive breeding, excessive digging of grass roots and excessive lumbering and eliminate poisonous grass, pests and rats. Second, we should vigorously grasp the construction of our grassland. At present, we should focus on satisfactorily doing the following aspects of work: 1) We should develop tilled grassland. This is an effective way to produce quality livestock grsss, grass seeds, animal food, forestry products, fruits, vegetables and grain and ease the contradiction between people and animals and grass. 2) We should graze our animals by rotation on land. In summer and autumn, our grassland should be divided up into 7 or 8 pieces and in winter and spring seasons, it should be divided up into 12 to 15 pieces to be grazed on by rotation. Then our grassland will have the time to grow, its output of grass will rise and so will its capacity to feed our animals. 3) We should open up water resources. On the grassland that has no water, or little water, we should rationally utilize underground water, rationally set up drinking centers for people and animals and raise the capacity of our grassland to feed our animals. 4) We should grow grass and trees, loosen the soil, sow grass seeds, improve natural grassland and develop grassland that is partly natural and partly tilled by people.

The key to satisfactorily developing our grassland is to implement the dual responsibility system geared to grass and animals and thus closely combine responsibility, power and interests for those who work on grassland.

II

The grassland in our country is of the categories of frigid steppe, desert steppe, semidesert steppe, grassy marshland, and typical grassland. As grassland varies, there is wide variation in its productive force (in the main the output of grass). For the same grassland, its productive force also varies as seasons and years vary. The grass for grazing grows luxuriously mainly in June, July and August, but in other months, there is a long period when the grass withers. This falls far short of what is needed for the growth of animals for grass and other food. Often, the animals are "strong in summer, fat in autumn and lean in winter and die in spring." According to the statistics for the past 15 years, normally, every winter and spring, the animals lost about 35 percent of their weight because of the shortage of grass and about 6.2 percent of the animals died of leanness and weakness in winter.

This contradiction between animals and grass in a major obstacle to the development of livestock breeding on our country's grassland. The best way to overcome this difficulty is to organically combine the operation of herding animals with that of growing food for animals and thus gradually turn the extensive operation into a modern intensive operation. In the past, Bayantuohai town in Ewenkizu Qi, Nei Monggol carried out its livestock breeding production mainly by herding the animals. Whenever there was a natural disaster, over half of the animals died. The herdsmen had to live on relief and rely on loans to carry out their production. Since the 3d Plenary Session of the 11th CPC Central Committee, they have vigorously grasped the development of their grassland. By 1984, they had set up three grass farms, each of which had over 10,000 mu of land. In the grass farms, they have built cattle shelters, animal food and grass seeds storerooms and grounds for drying animal food, and have sunk motor-pumped wells. Through years of hard struggle, they have in the main achieved the goal of feeding their animals mainly on the food they produce in winter and spring and herding their animals in summer and autumn. From the winter in 1983 to the spring in 1984, there was a particularly serious natural disaster in Hulun Buir Meng and over 1.25 million animals died, but the herdsmen in Bayantuohai town continued their normal production, kept nearly all their animals alive and in addition, supplied over 80,000 kilograms of grass to help other disaster-stricken areas.

Our country has a resource of large stretches of grassland and can exploit this cheap natural resource to herd animals. In a fairly long time to come, herding will continue to be a major method of production in the livestock breeding industry on our grassland. However, this production method of relying on natural supply of water and grass is very unstable. In summer and autumn, we should fully exploit the advantages of rich grass resources on our grassland to herd our animals, but in winter and spring, we should feed our animals partly or mainly with food we produced. By so doing, we will fully exploit the strong points and overcome the weak points of the livestock breeding on our grassland. In the light of the demand of specialized and socialized production and of the different characteristics of different areas, we can feed some animals, such as milk cows and beef oxen, all the year round in shelters while herding others, such as horses, camels and goats, all the year round.

Herding should be combined with feeding animals with food we produce. In order to do that, we should satisfactorily grasp the following aspects of our work: 1) We should develop the production of grass. While developing grass farms and grass production bases, we should set up grounds to dry grass in order to turn the grassland on which grass grows relatively satisfactorily but on which we cannot herd our animals because of the shortage of water there, into grass production bases. 2) We should develop the industry to process the grass that is used to feed animals. Enterprises of this industry should mainly be medium-sized and small ones and should lie properly scattered in order to utilize and process the grass and supply the needs around them. This can reduce the investment and the need for transport facilities. 3) We should do a good job of building animal shelters, setting up the equipment to store grass and to produce supplementary food for animals, and building housing areas for herdsmen. 4) We should readjust the composition of our herds and develop seasonal production. For a fairly long time to come, we will not be able to entirely put an end to our shortage of animal food. Therefore, we should develop seasonal production, killing the lambs in the year they are born and killing the beef oxen as soon as they are sufficiently grown up. By so doing we will be able to fully exploit the strong points of our grassland which can supply us with much grass in summer and autumn and avoid the grass shortage in winter and spring. The experience gained by many areas has proved that this does not need much investment but can achieve relatively satisfactory economic results.

III

We should intensify the internal division of labor in our livestock breeding industry and develop specialized production. Specialization in our livestock breeding industry facilitates fully utilizing the natural resources on our grassland, giving full play to the role of livestock breeding machinery, promoting the widespread application of advanced technology in our livestock breeding industry, improving the quality of our livestock breeding workers, and finally raising the productivity, lowering the costs and increasing the income in our livestock breeding industry, improving the quality of our livestock breeding workers, and finally raising the productivity, lowering the costs and increasing the income in our livestock breeding industry.

Judging by the current situation of the livestock breeding industry on our country's grassland, in developing specialization in our livestock breeding industry, we should start from developing "small and specialized" and "small and combined" enterprises. Since the implementation of the contracted responsibility system with remuneration linked with output, in particular the system to assign all-round responsibility by contracts, the households of our herdsmen have been transformed from consumption units into production and operation units, have had full decisionmaking power, can select what they produce, operate in the light of their own economic conditions and arrange their own work time and have thus become various kinds of specialized households that are engaged in livestock breeding. By June 1984, the number of various kinds of livestock breeding specialized households in Nei Monggol Region reached 720,000. When our specialized households have grown to some extent developed, in order to give better play to one another's special skill and in order to more effectively use their labor, funds, technology and machinery and thus sharply raise their economic results, there will inevitably be demand for the development of specialized and socialized cooperation in the spheres of production, technology popularization, supply and marketing, processing, storage, transport, breeding of fine breeds of animals, and supply of information. Bayantuohai town that we mentioned above has had some experience in this respect. Over the past 2 years, in developing its livestock breeding industry, it has focused on division of labor and specialization. By the end of 1984, it had 63 specialized households engaged in livestock breeding, which accounted for 13.9 percent of the total number of herdsman households there. Among them, there were households specialized in breeding milk cows, beef oxen, and breeding stock. There were also households specialized in reaping grass, running motor-pumped wells, producing animal feed and providing transport services. These different kinds of specialized households served one another and thus formed a large specialized and coordinated production system, which greatly boosted the development of livestock breeding. These "small and specialized" and "small and combined" operations on the basis of family operation are a basic way now for the development of specialized production in the livestock breeding industry in China's grassland.

From the point of view of the layout of livestock breeding production as a whole, we can also appropriately develop regional division of labor in the light of the natural, economic, and historical characteristics of various areas.

IV

In developing livestock breeding in the past, we pursued quantitative growth in a one-sided manner and failed to pay attention to increasing the production capacity of each animal by the application of advanced technology, equipment, and management know-how. Therefore, China's livestock breeding industry has lagged behind for a long time. This is shown in the following: 1) The output of livestock products is low. Generally speaking, only about 20 percent of the animals are killed and sold every year in our country, while 30-40 percent of the cattle and 50-60 percent of the sheep and goats are killed and sold every year in countries with developed livestock breeding industry. In 1982, 100 mu of grassland (including a portion of farm land that provides food for animals) in Nei Monggol only yield 5.1 kg of meat and 2.41 kg of wool as commodities. In 1975 when there was a relatively satisfactory harvest in livestock breeding, the output of beef per head of cattle that year-end was only 4.9 kg, a figure that was only 10 percent of the countries with developed livestock breeding industry; while the output of mutton per head of sheep or goat was only 2.1 kg, which was only 25 percent of that of developed countries. 2) The output value was low and our output does not match our input. The per unit area of grassland output value of the livestock breeding industry on our country's grassland is much lower than that of the countries with developed animal husbandry. In 1979, the labor productivity in the livestock breeding industry in the pastoral areas in Nei Monggol was only 990 yuan, 100 mu of grassland only yielded 60 yuan of output value and each sheep only yielded an output value of 12.27 yuan. 3) Our herding capacity is low. The per capita number of animals is only about 50 (in terms of sheep) in the pastoral areas in our country and each able-bodied laborer only herds about 110 animals (in terms of sheep). This is over 10 times lower than that in the countries with a developed livestock breeding industry. 4) Our reproduction capacity is low. The survival rate of animals in our country is only about 65 percent, while that in countries with developed livestock breeding is 80-90 percent in general. 5) The breeds of animals are backward. According to the statistics for the end of June in 1983, only 53.2 percent of the sheep in Nei Monggol were of fine or improved breed; while in New Zealand, 90 percent of the sheep were of very fine breed. Owing to this backwardness, the average output of meat, milk, and wool of animals in China is lower than world advanced level. For example, our cows yield 3 metric tons of milk a year on average and our sheep yield 2 kg of wool on average, but the world average output is respectively 5 metric tons and 5-6 kg. This disparity means a potential to tap. In modernizing the livestock breeding industry on our country's grassland, we should focus on the application of advanced science, technology and management know-how and raising the production capacity of our animals.

We should do a good job of improving the breed of our animals. The experience that has been gained both at home and abroad has proved that the disparity in the consumption of food and labor is not very great between an animal of fine breed and one of bad breed, but the output of livestock products and the quality of the products differ very greatly. Judging by the situation in Nei Monggol, since the animals are given to households at set prices, the work of improving animal breeds has to some extent been hindered. The supply of animals of fine breed has fallen far short of what is needed for the development of production. There has even been degeneration of breed owing to inbreeding. In order to change this situation, we must set up in a planned manner a system to propagate animals and poultry with the focus of its work on improving the breed, including stud stock farms, reproduction farms, freeze-dried semen centers, centers to check the breed and breeding stations. We should also set up a number of specialized households that are engaged in improving breed and help them with technology, equipment, and funds.

We should improve our management over livestock breeding. On the basis of summing up the experience of our traditional livestock breeding, we should learn from the advanced herding and management know-how abroad. We should proceed from reality in readjusting the composition of animals and breed and make it match the nature of the grassland on which they are herded. We should also improve our methods to feed water and supplementary food to our animals, improve the technology to mix the food for our animals and thus improve the composition of nutrition, and set up a scientific herding management system.

We should intensify our work of vaccination and our work to treat and prevent animal diseases. We should pay attention to training veterinarians for our livestock breeding industry, intensify the work of the veterinarian centers at various levels and family vaccination stations, and gradually form a regional veterinarian and vaccination network. In addition, we should intensify the work of scientific research, education and popularization of science and technology.

V

For over 30 years since the liberation, in the main the economy in our pastoral areas has remained an economy consisting of only one sector--the livestock breeding industry that provides primary products. The single-product structure of production and the underdeveloped social division of labor are the basic causes for the backwardness of the economy there. We should start from intensifying social division of labor, readjust the composition of our production, and develop diversified undertakings. On the one hand, this will open up a broad market for our livestock products and thus promote the growth of our livestock production; on the other hand, it can accumulate more funds and thus promote the application of advanced technology and equipment and the modernization of our livestock breeding industry. Therefore, we must satisfactorily carry out the work to readjust the economic structure of the whole pastoral area. Some areas have scored heartening achievements in this sphere. For example, Bayantuohai town has proceeded from local reality to set up a quarry, a milk products factory, a tannery, a restaurant and a transportation team. This has enabled over 100 young herdsmen to leave livestock breeding and be engaged in secondary and tertiary industries. It has thus changed the single-product livestock breeding economy. In 1983, the income from industry and sideline undertakings accounted for 70 percent of its total income. It spent some of the money it earned to equip its livestock breeding industry and thus expanded the production. For another example, Basi Sumi in Otog Qi, Ih Ju Meng, Nei Monggol is a township of Mongol nationality mainly engaged in livestock breeding. Over the past 2 years, it has set up 77 township and town enterprises and 49 individual enterprises run by herdsmen, which are engaged in mining, industry, sideline undertakings, animal breeding, processing, commerce and catering service. Over 400 people have been employed in them. In 1984, these township and town enterprises yielded a gross output value of 829,000 yuan, accounting for 25.9 percent of the township's gross output value and earned a realized profit of 350,000 yuan.

We should readjust the economic structure in our pastoral areas and develop diversified undertakings of livestock breeding, industry and commerce. First, we should provide various satisfactory services before, during and after livestock breeding production. Now most of the households of herdsmen both herd their animals and manage the development of grass farms. They have to do everything on their own including moving their tents, sinking wells for the supply of drinking water, growing and reaping grass, fighting against natural disasters, purchasing means of production and selling their animals. They each breed all kinds of animals including horses, cattle and sheep. This "small and all-inclusive" mode of production wastes labor and has low productivity. Through setting up transport teams, grass reaping centers, construction and maintenance teams, grass and animal food processing factories, supply, marketing and purchase centers, and stud breeding stations to provide service for these households, we will gradually help them change the backward production method and develop specialized division of labor. This will greatly raise the productivity and commodity rate of our livestock breeding industry. Second, all our areas should proceed from reality, exploit local strong points and resources, follow the principle of acting within our capacity, and develop some medium-sized and small enterprises to process livestock products, exploit energy, mine minerals, provide communications and transport service and set up a commodity circulation network. By so doing, they will guide some of the herdsmen to transfer to other undertakings and thus enable the economic structure of the pastoral areas' economy to gradually diversify. Third, there should be flexible form and special characteristics in the development of coordinated operation and diversification. There can be independent operation with a household or a collective as one unit, but there can also be diverse forms of cooperative operation. In addition, we should intensify the development of the infrastructure related to energy, communications, circulation and the posts and telecommunications network in our pastoral areas.

VI

The production efficiency and the development of modernization in our livestock breeding industry are to a very great extent determined by the laborers' educational level and ability to master modern science and technology. The experience gained by many developed countries has proved that paying attention to "intellectual development" and increasing "intellectual investment" is a long-term factor that plays an important role in promoting the development of livestock production. Judging by the current situation related to the livestock breeding industry on our grassland, developing people's intelligence is particularly important. According to the third national census in 1982, only 0.22 percent of the livestock breeding workers in our country had received college education, 2 percent of them had received senior middle school education and 10.1 percent had received junior middle school education. Those who had received primary school education accounted for 35.1 percent and those who were illiterate or half illiterate accounted for 52.4 percent. The low educational level of the laborers is a major obstacle to the modernization of our livestock breeding.

Only when combined with laborers can advanced production tools, rich means of labor, sophisticated science and technology be transformed into actual productive force. Most of the households specialized in livestock breeding that have become rich in the past few years are educated "able people" who have knowledge, skill and economic know-how. From this we can see that the educational level of people is the basis for raising labor productivity.

In order to develop intellectual resources and improve the quality of laborers in our livestock breeding industry, at present, we should satisfactorily grasp the following aspects of our work: 1) We should vigorously grasp general education. At present, we should stress popularization of primary school education and at the same time make great efforts to eliminate illiteracy among youths. 2) We should reeducate the educated youths who have received junior and senior school education and then returned to the pastoral areas to teach them the application of technology and development of commodity production in pastoral areas. As this education is carried out on a certain educational foundation, it can be completed in a short time with quick results. 3) We should develop diverse levels and forms of education in livestock breeding technology and management science. We should vigorously develop and satisfactorily run institutes of higher education and secondary technical schools related to livestock breeding, senior vocational livestock breeding middle schools, and various levels and kinds of cadre training courses. 4) We should satisfactorily run the basic-level scientific and technological network in our pastoral areas, do a good job of providing livestock breeding technological service and popularizing science and technology in order to apply science and technology in all aspects of our livestock breeding industry. 5) We should organize various forms of activities of social contact and travel among our herdsmen in order to widen their field of vision and increase their knowledge.

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CSO: 4004/65

LATIN AMERICA--A CONTINENT FULL OF VIGOR AND RICH IN POTENTIAL

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 28-31

[Article by Su Zhenxing [5685 2182 5281]]

[Text] Latin America is vast in territory with a population of 360 million and an area twice as large as Europe. The continent comprises 33 independent states and 12 regions that have not yet gained independence. Latin American people are full of creativity and the love of freedom and independence. Long before Columbus discovered the "new continent," the Indians had evolved several brilliant and distinct cultures on the land. In the early 19th century, Latin American people launched anticolonialist movements and built a number of independent nations. After World War II, Latin American countries rose as an important component of the Third World in the Western Hemisphere. Uniting and cooperating with the developing countries in Asia, Africa, and Oceania, they are playing an ever important role in the contemporary common struggle of opposing hegemonism, safeguarding world peace, and promoting social and economic development. They are full of vigor and rich in potential.

I

Most of Latin America lies in the tropical and subtropical zones, with plentiful rainfall and fertile land. This contributes to developing agriculture, forestry, fishery, and animal husbandry. Its products such as sugarcane, coffee, tobacco, cotton, and tropical fruits are held in esteem on the world market. The area of forests constitutes nearly one-fourth of the world's total forest area. The continent is also very rich in sea fishery resources. Meanwhile, there are more than 500 million hectares of natural grassland, and the number of livestock accounts for one-fifth of the world's total. Latin America's gold and silver once played an important role in the primitive accumulation of capitalism in Europe. The continent has nearly all kinds of ores needed to develop modern industries, and in particular, its reserves of copper, aluminum, iron, and tin hold an important position in the world.

However, the richly endowed continent suffered untold tribulations. European colonialists intruded into the land one after another from the early 16th century. After World War I, the United States replaced step by step the influence of Britain and Germany in Latin America and dominated it exclusively, turning it into its strategic "backyard" and a testing ground of neocolonialism. After World War II, along with changes in the international situation, the national democratic movement in Latin America sprang simultaneously from both political and economic fronts. Politically, holding aloft the banner of opposing imperialism and dictatorship, Latin American countries struggled against power politics in the world and fought for democracy in their own countries, thus gradually weakening the influence of imperialist and internal reactionary forces. Economically, they took the development of the national economy as the historical task of safeguarding national sovereignty and consolidating political independence. Their enormous efforts in this area have provided for faster development of the productive forces. After World War II, many Latin American countries implemented the policy of "replacement of import" in their strategy for economic development. By expanding production of ordinary consumer goods, step by step they strengthened the construction of infrastructure, basic industries, and newly emerged industries. In the mid-1960's, they began applying the strategy of "being geared to the needs of export." The main measures adopted by most Latin American countries for economic development were to strengthen state interference and readjustment of the macroeconomy, increase public investments, promote the state-owned economy, encourage national and foreign investors to make investment, protect national industry by readjusting customs duties and exchange rate, develop culture and education, promote scientific and technological advancement, nationalize part of foreign enterprises, regain sovereignty over national resources, and develop economic and technological cooperation with other countries.

In the 30 years from 1950 to 1980, the rate of economic development in Latin America was higher than in other regions in the world. The gross output value of industry in 1980 was five times that of 1950. Per capita output value increased by 200 percent, though there was a sharp increase in population during the period. According to figures compiled by the Inter-American Development Bank, the gross output value of Latin America in 1980 amounted to U.S.$625.7 million, with a per capita national income of U.S.$1,844. This figure was higher than the average level of the developing countries by 200 percent and almost equal to the level of South European nations. Latin America has become one of the most industrialized regions in the Third World. A number of basic industries such as iron and steel, petroleum, chemistry, machine building, cars, shipbuilding, airplanes, and electronics have sprung up during the postwar period. Brazil, Argentina, and Mexico have become newly developed industrial countries. At present, Latin America is by and large self-sufficient in consumer goods. Its capacity of manufacturing machines and equipment has been greatly increased and the volume of these products for export makes up about 20 percent of the total volume of exports.

The level of economic development of Latin American countries differs greatly because of difference in the size of these countries, the reserve of natural resources, and the time of starting developing industry. For example, Brazil's total output value of industry now ranks eighth in the capitalist world. Per capita output value of a few countries tops several thousand U.S. dollars, but that of Haiti is only U.S.$270. The industrial level of some countries has reached medium height, but industrial development in some countries has just started.

Since the beginning of the 1980's, the economic situation in Latin America has been markedly deteriorating, as seen chiefly in curtailed production, the rising rate of unemployment, steep inflation, and heavy debts. From 1981 to 1983, Latin America witnessed a negative growth of its economy for 3 years running. In 1984 and 1985, the economy reversed its downward trend, but the rate of growth was very low, economic development was uneven, and the economy of some countries still showed negative growth. At present, per capita output value of Latin America has degraded to the level of the mid-1970's. In 1985, the inflation rate rose by 610 percent and the total amount of external debts jumped to U.S.$370 billion, constituting 51 percent of the total output value of industrial production.

Many things account for the situation. Latin American economists believe that the industry of Latin American countries has developed with the focus on domestic markets, so their industrial products are not competitive in the world market. When stress was placed on industrial development, agriculture was ignored. Import of machines, equipment and semifinished products unceasingly increased, the situation of foreign trade increasingly aggravated, the overly rapid growth of consumption slowed down public accumulation, state-owned enterprises were not well managed, and excessively high exchange rate with foreign currencies and alarming financial deficits were the major factors initiating inflation. After Western countries were faced with an economic crisis in the first few years of the 1970's, Latin American countries did not readjust their economy in time, but they borrowed a huge amount of money from the international money market to maintain a high economic growth rate, thus aggravating economic dislocation. Externally, Western developed countries exploit Latin American countries by means of the existing international economic order. Especially in the past few years, the United States and other Western developed nations vied with each other for shifting crisis on other countries. A large part of debts harassing Latin American countries were incurred by high interest rates of the international money market in the past few years. Protectionism of Western developed countries has made it more difficult for Latin American countries to pay their external debts. Under such circumstances, Latin American countries have to restrict imports rigidly and tighten the economy. Many Latin American countries are now readjusting their economy and have gradually changed "emergency readjustment" into "structural readjustment."

II

The growth of economic strength has consolidated the position of Latin American countries in the world, induced great changes in their social structure, and promoted the "development of democracy." Pushed by the masses of the people, the bourgeoisie in Latin America, which are in power, have gradually cast off the control of the United States and are holding high the banner of nationalism. The trend of maintaining independence in domestic and foreign policies is becoming ever more noticeable.

Latin American countries strongly oppose hegemonism and power politics employed by the superpowers. They also call for disarmament, support the Nonaligned Movement, and work hard for easing international tension and safeguarding world peace. Just after World War II, some Latin American countries claimed extension of their sovereignty to the continental shelf or the establishment of a 200-nautical-mile "ocean zone." In August 1952, Chile, Peru, and Ecuador issued a joint statement declaring that they would exercise sovereignty and jurisdiction over their territorial waters for 200 nautical miles and over the seabed under the territorial waters. Twenty-two Latin American countries one after another proclaimed the extension of their territorial waters, exclusive economic zones, or fishing grounds to 200 nautical miles. Some countries even punished foreign fishing boats for illegal intrusion in their territorial waters of 200 nautical miles. These struggles waged by Latin American countries made positive contributions to the development of the worldwide struggle against the contention for maritime hegemony by the superpowers and to the formulation of the "UN Convention on the Law of the Sea." In the 1960's, Latin American countries launched the struggle for making Latin America a nuclear-free zone. In February 1967, 21 Latin American countries signed the "Treaty for the Prohibition of Nuclear Weapons in Latin America" in Mexico City which prohibits all testing, manufacture, use, acquisition, storage, installation, and development of nuclear weapons, without prejudice to peaceful uses of atomic energy. After the treaty came into force in 1969, all contracting parties agreed to establish the "Agency for the Prohibition of Nuclear Weapons in Latin America" to administer the treaty. Thanks to the joint efforts of Latin American countries, all states in the world possessing nuclear weapons signed and ratified the additional protocol II of the treaty, agreeing to respect the nuclear-free status in Latin America.

The United States has always taken Central America and the Caribbean as its sphere of influence, exercising strict control over it and not allowing other countries to take a share of it. In order to maintain its hegemony over the area, in 1983 it outrageously launched a military incursion into Grenada and unleashed a military threat to Nicaragua, plus an economic blockade and open support for antigovernment forces there. In addition, the United States also supported the Salvadoran Government with much military aid to suppress the guerrillas. The Contadora Group and the Lima Group, two organizations of Latin American countries, strongly advocate safeguarding self-determination of the people of all countries and the principle of noninterference, oppose foreign intervention in internal affairs of Central American countries, and particularly the U.S. practice of hegemonism by resorting to force in Central America, and spare no efforts to seek a peaceful settlement of the Central America issue through diplomatic mediation. This has constituted an important component part of the present struggle of safeguarding world peace.

In the struggle for the establishment of a new international economic order, Latin American countries have always been a very active and vigorous force. Early in the 1950's, Latin American economists pointed out the trend of deteriorating trade conditions of the developing countries in international trade and called for changes of the international trade system. Latin

American countries took an active part in the establishment of international organizations of producers and exporters of raw materials and the struggle for reasonable prices of raw materials. They made positive contributions to the convention of the first UN trade and development conference and the establishment of the Group of 77 as well as to the adoption of the "Declaration for the Establishment of a New International Economic Order" and "Guiding Principles for Actions." The Mexican Government initiated the drafting of the important document "Charter of Economic Rights and Duties of All Countries" in 1972; the charter was adopted at the 29th UN General Assembly in 1974. Over the past 20 years and more, in close cooperation with other developing countries, Latin American countries have consistently made unremitting efforts in the United Nations and other international organizations to strive for the establishment of a new international economic order.

Latin America, which developed regional economic integration earlier than other regions in the world, attaches great importance to South-South cooperation. Since 1960, nine organizations for regional economic integration have been set up in Latin America. Through reduction and exemption from customs duties, the establishment of multi-nation enterprises, cooperation in production, the setting up of development funds, and joint exploitation of natural resources and border areas, these organizations strengthened trade among themselves and gave fuller play to regional economic potential. Under the guidance of the principle of "developing multilateral foreign relations," since the late 1960's Latin American countries have increasingly strengthened their economic and technological cooperation with the developing countries in Asia and Africa.

Latin America has a tradition of solidarity and militancy. Simon Bolivar, Jose de San Martin, and other outstanding leaders engaged in the movement for independence closely linked the cause for liberation of their motherlands with the cause for liberation of all of Latin America. In every corner of the continent were their militant footprints, which left a great deal of valuable spiritual wealth to later generations. Today, all Latin American countries are facing the common tasks of fighting against hegemonism, safeguarding peace, opposing the old international economic order, and seeking development. Through protracted common struggles, Latin American countries have appreciated more than ever the coincidence of their fundamental interests. On a number of major issues, they expressed support for each other, took concerted action, coordinated their position, and discussed countermeasures together. Through consultation on the basis of equality, some Latin American countries have settled certain problems left over by history and closed their relations. The struggles waged by Latin American countries, whether the struggle for the recovery of sovereignty over the Panama Canal or the demand of Argentina for the recovery of sovereignty over the Malvinas [Falklands], whether the struggles waged by the Nicaraguan people and Central American people to oppose foreign intervention or the movement for independence of the Caribbean, all won powerful support first from countries of the continent. The Cartagena Group of Latin American countries held many special sessions to seek a reasonable settlement of the debt problem. Such spirit of unity and cooperation is an important factor enabling Latin American countries to play an excellent role in the world arena.

III

Between China and Latin America there have been contacts for a long time. According to Chinese and foreign historical data, trade contacts between China and Latin America started in the 16th century. At that time the shipping line of Manila sailboats between Asia and Latin America was regarded as a "road of silk" on the sea, carrying China's silk and porcelain to Latin America and carrying back silver dollars of Mexico and Potosi to China. After Mexico gained independence, there was an incessant flow of Mexican silver dollars into China. In the 19th century, a large number of "Chinese contract workers" went to and worked in Latin America. They contributed to the development and construction of the countries in which they settled and to the cause for national independence, thus forging ties of profound friendship with local people. In the Qing Dynasty, China established diplomatic relations with Brazil, Peru, Mexico, Cuba, and Panama. In the 30-odd years after the Revolution of 1911, progress was made in China's relations with Latin America, but actual contacts were restricted due to the historical conditions at that time.

After the founding of new China, the understanding between China and Latin America was increasingly promoted through numerous nongovernmental contracts and mutual support in the struggle against imperialism, colonialism, and hegemonism, and their relations developed steadily after some obstructions from certain countries of the world were cleared away. The 10 years and more after the 1970's was an important period for the development of friendly cooperation between China and Latin America. By the end of 1985, China had established diplomatic relations with 18 Latin American countries. Along with the development of diplomatic relations, exchanges of visits between state leaders increased greatly and such visits essentially promoted mutual understanding and cooperation in many aspects. China has now established trade contacts with nearly all countries and regions in Latin America; the total amount of imports and exports in 1985 reached U.S.$2.3 billion. The economic cooperation on the basis of mutual benefit between China and Latin American countries covers a wide range of projects such as forestry, fishery, textiles, mining, oil extraction, water irrigation, and harbor drainage. Regarding science, technology, culture, and education, China has concluded a number of agreements with many Latin American countries, and cooperation and exchanges in these areas have increasingly expanded. Thanks to the development of state relations, nongovernmental friendly contacts in varied forms are increasing. Internationally, the unity and cooperation between China and Latin America have further strengthened. For example, in 1971 many Latin American countries voted for the restoration of China's legitimate seat in the United Nations at the 26th UN General Assembly. The Chinese Government resolutely supported Latin American countries in their just struggles of safeguarding maritime rights, building a nuclear-free zone, establishing a new international economic order, and striving for peace in Central America. At the invitation of the Mexican president, in 1981 Premier Zhao Ziyang attended the Cancun conference and paid an official goodwill visit to Mexico. Between October and November 1985, Premier Zhao Ziyang officially visited Colombia, Brazil, Argentina, and Venezuela. During the visit, Premier Zhao repeatedly expounded the common grounds between China and Latin

American countries. He held talks with leaders of the four nations on international issues of common concern and the development of bilateral relations; they reached consensus on a wide range of issues. During the talks, Premier Zhao Ziyang set forth the four principles of "peace and friendship, mutual support, mutual benefit and equality, and joint development" which China will follow in developing its relations with Latin American countries. He also signed 15 agreements and protocols on the development of bilateral economy and trade as well as on scientific, technological, cultural, and educational cooperation. All this has paved the way for further development of friendly cooperation between China and Latin America.

China and Latin American countries are all developing countries and belong to the Third World. There is no conflict of fundamental interests between them. The Chinese Government and people attach great importance to their friendship with the people of all Latin American countries and take the economic and technological cooperation with Latin American countries as an important part of implementing the opening up policy and promoting South-South cooperation. The prospects of cooperation between China, which is working hard to realize its modernization program, and Latin America, which is full of vigor and rich in potential, are very bright.

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ALSO TALKING ABOUT LITERATURE AND ART CONCEPTS AND THE METHODOLOGY FOR THE STUDY OF LITERATURE AND ART

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 32-38

[Article by Zheng Bonong [6774 0130 6593]]

[Text] RED FLAG has unfolded substantial discussion on literature and art concepts and the methodology for the study of literature and art, which is pleasing. I deeply believe that truth will be more and more clarified through debate. In the spirit of seeking for truth, I should like to air my limited view, too.

I

In his article entitled "On Methodology in the Study of Literature and Art" (RED FLAG No 8, 1986), Comrade Chen Yong criticized Comrade Liu Zaifu's theoretical system of literature and art, emphasizing the importance of adhering to, and developing Marxist concepts in literature and art. He quoted in the third portion of his article a statement of Comrade Liu Zaifu, expressing his disagreement with Liu's oversimplified negation of China's revolutionary tradition of literature and art theory. The quoted passage in Chen's article is as follows:

"Our literary critique has formed into a set formula of thinking between the 1930's and now. Such a set formula of thinking largely represents a linear inertia in thinking in line with the vulgar theory of class struggle and theory of directly perceived cognition. In observing things, the referential system is chiefly the political background. We cannot repel the referential system of politics, and should fully respect the theory of cognition. However, this is not enough as a basis of thought. Moreover, it is very difficult to overcome such inertia in thinking, which has been formed over long years, and has to a great extent formed into a collective non-consciousness." ("The Introspection of Literature and Surpassing the Self," carried in 31 August 1985 issue of WENYI BAO)

Some comrade recently wrote an article to counter-criticize Chen's article, believing that Chen's judgment of the quoted passage in question does not conform to the original meaning of Liu's article, which was to "exaggerate" the issue, and "to uglify one's opponent," on the ground that Liu's article referred to just one of many ways of thinking, and did not mean to generalize the whole picture in that statement. Now the question is whether the critique has forced something on his opponent with things that do not belong to his opponent, thus criticizing some mistakes that basically do not exist, or the counter-critique has covered up something which actually exists, and forced the unhealthy style of writing label, and the "putting on airs to scare others" label on the critique. In my opinion, the meaning of the quoted passage is clear enough, and Chen's article has not distorted it. If we read again Comrade Liu Zaifu's other discussions on this issue, we will come to a clearer picture of it.

In the article "On the Subjectivity of Literature," published 6 months ago (carried in a series in the No 6 issue, 1985 and No 1 issue, 1986 of WENXUE PINGLUN respectively), Comrade Liu Zaifu wrote: "The theory of mechanical reflection [jixie fanying lun 2623 2750 0646 2503 6158] has been deep-rooted in the theory of literature and art over a long period of time... The new changes in literature itself and its external conditions, namely, the entire natural sciences have compelled the theory of literature to conduct introspection on the theory of mechanical reflection, which has long been in a dominant position." Here, he explicitly pointed out: "The theory of mechanical reflection has long been in a dominant position" in our theory of literature. The article also criticized socialist realism and revolutionary realism, believing that they "simply restrict the subjective initiatives of the writers to the political and ideological level, but are often in a helpless state at the aesthetic level," but it has not arrived at an understanding of "the passiveness and rigidity of the theory of mechanical reflection."

In the article "Two Trends in the Changes of Literature," published in July 1986 (WENYI XUEXI [STUDIES IN LITERATURE AND ART] initial issue), Comrade Liu Zaifu wrote: "Over the past year or more, attempts and exploration have been made in all kinds of new concepts and approaches to literature and art," "new modes of thinking have to a large degree broken through the single linear mode of thinking in the past, and changed the original thinking pattern of arbitration and mechanical determination, which remained unchanged for decades." He has used "over the past year and more" as a line of demarcation. According to him, such a "single linear mode of thinking," and "arbitration and mechanical determination" had "remained unchanged for decades" prior to this; and such a situation "has been broken through" "to a large degree" after it.

Comrade Liu Zaifu's conclusion is clear-cut. This evaluation of his has run through a series of articles published of late, not in fragments but systematic and repeated discussions. We should say that he has actually detected some shortcomings in the research of literature and art theory, but he has failed to make a historical and concrete analysis of those problems, and inappropriately exaggerated the degree and nature of the problems.

First, the serious ideological effects of the theory of mechanical materialism and vulgar sociology did exist in the past. But what place did it occupy in the entire research of literature and art? Was it a problem that dominated the whole situation or just partially? Had erroneous things been in a "dominant position," and "remained unchanged for decades" as Comrade Liu Zaifu put it? In the 17 years prior to the "Great Cultural Revolution," "leftist" errors were conspicuous, but the accomplishments of literature and art work, including theoretical work of literature and art were major. It was in those 17 years that we laid down a foundation for our studies in the history of literature and art, aesthetics, as well as national folk literature and art, and great progress was made in literature and art theory and critique. Many books on these topics have been reprinted in recent years. It may not be too difficult for people to discover signs of oversimplification in them, and at the same time the sparks of dialectical thinking. Are these not facts that everybody can see! Since the smashing of the "gang of four," from the 3d Plenary Session of the 11th CPC Central Committee to the CPC 12th National Congress, our party has brought order out of chaos in its guiding ideas. Although "leftist" effects still exist, they are not in a dominant position in literature and art circles. People have brought forward a truth-seeking spirit, criticized "leftist" fallacies, summed up historical experiences, studied new conditions and new problems, and made many scientific achievements in theory and critique. Otherwise, how could we account for the tremendous victories of bringing order out of chaos, and the unprecedented prosperity of literature and art undertakings! Aside from the "Great Cultural Revolution," erroneous ideas had never developed to the state of dominating the entire situation. We should also see that among those erroneous ideas that had also intervened in the studies of literature and art was subjective idealism, aside from mechanical materialism. And the harm of the former was by no means less than mechanical materialism. An important ideological root of "leftist" errors is none other than subjective idealism. Such slogans as "the greater are people's guts, the greater harvest will the earth yield," "nothing is impossible so long as the idea has struck one," were all "leftist" in nature. During the "Great Cultural Revolution," Lin Biao and the "gang of four" advocated the omnipotence of spirit and the absolute role of willpower; in literature and art, they promoted "proceeding from the party's line," "putting the theme above all else," and created a number of works in literature and art, "which aimed to cheat and lie," pushing subjective idealism to an unprecedented height. This has demonstrated that even during the "Great Cultural Revolution," mechanical materialism did not occupy a dominant position. At present, the ideological effects of mechanical materialism as well as subjective idealism exist in the research of literature and art theories.

I believe the latter are very conspicuous. To put it that the mode of thinking in the research of literature and art theory between the 1930's and the 1980's was "the theory of mechanical reflection," which had "remained unchanged for decades," not only nullifies the tremendous accomplishments in literature and art theory for several decades, but also covers the serious danger of subjective idealism.

Second, did the trends of oversimplification and vulgarization in the research of Marxist literature and art theory in the past result from violation of Marxist tenets and methods or from "shortcomings" of Marxism itself? Comrade Liu Zaifu has shown repugnance against "the theory of mechanical reflection," however, he has failed to draw a demarcation line between the theory of mechanical reflection and Marxist theory of reflection; on the contrary, he has on several occasions criticized the concept of reflection itself. He believes that "reflection is finite, while interaction is infinite," and the suggestion of "interaction" is more "accurate" than reflection (referring to "On the Subjectivity of Literature"). He has criticized the social historical analysis of literature and art, believing that it could help understand only the "external law governing literature," but not the "internal law governing literature." However, social historical analysis is not an equal to the "theory of mechanical reflection," because analyzing literature and art with aesthetic and historical concepts is precisely an important point in the Marxist concept of literature and art. In the article "On the Subjectivity of Literature," the author has linked socialist realism and revolutionary realism with the erroneous mode of thinking, while proposing the following inference:

"The most essential motive force of literature is emotion. The most outstanding contributions of 20th-century Western literary theory lies in the fact that they have discovered such a motive force, affirming to the full the value of emotion in the main body of spirit, thus revealing the most essential characteristic of literature and art."

According to the author, it is the 20th-century Western literary theory that has for the first time revealed the "most essential characteristic" of literature and art. It is self-evident that research workers of Marxist theory of literature and art both at home and abroad have never mastered the essential characteristic of literature and art. If such was the case, where is there any advantage to and scientific nature in the Marxist theory of literature and art!

The 20th-century Western theory of literature and art has its merits as well as absurdities, and we should absorb what is valuable in them. But to say that it has discovered "emotion," the motive force of art, would be too far from the truth. Back in the 19th century, Tolstoy said: "Art originated from the fact that a person wanted to pass on the emotion he has personally experienced to others." Such a view was not Tolstoy's invention. Going back more than 2,000 years ago, China's Xunzi said: "The emotion of joy is inevitable in human feelings." Looking upon the expression of emotion as the essential characteristic of art cannot be scientific, and referring to it as revealing the basic characteristic of art is out of the question. True, art should demonstrate emotion, but not everything demonstrating emotion is art. Language, words, gestures, and mien can all be expressions of emotion. A characteristic is some peculiar property to differentiate one thing from another. How can we say that the demonstration of emotion is the peculiar sign of art? Emotion will become a component part of literature and art only when it has gone through refining and artistic processing. Otherwise, it can only be something "external" to art in the terminology some comrades are accustomed to. Literature and art theory should reveal the sophisticated and complicated course in which life, ideas and emotion are converted to art. Marxist theory on typification (including typical characters, typical environment, typical conception, and typical mood) is on a far higher plane than the theory that "the most basic motive force of literature is emotion."

The question how to evaluate the tradition of research in the Marxist theory of literature and art in China over the past several decades needs be clarified. Our theory of literature and art must be developed and substantiated with new essence continuously. It will lose its vitality if it stops developing and becomes congealed. However, there should be a foundation for development. If things were fundamentally wrong in the past, and if all was on the wrong track, then we should change things completely and adopt another road. But if that was not the case, then we should bring forward our fine tradition, overcome the real shortcomings, and continue to forge ahead blazing new trails on this basis. Without a fundamentally correct evaluation, we will be missing a foundation to make progress, and a correct direction for progress is impossible. But now, the differences are great in evaluating the theoretical work of literature and art, not just during the 30 years before the founding of the PRC and the 17 years following the founding of the PRC but also in the decade after the smashing of the "gang of four." Some comrades regarded not only the research in Marxist theory of literature and art in the several decades since the beginning of the leftwing literature and art movement as the history of the domination of mechanical materialism, but such research since the 3d Plenary Session of the 11th CPC Central Committee as an extension of such history. The existence of differences is nothing strange, but the issue is that although many people do not agree with such an evaluation, their voice was rather weak for a time in the press, and was not even covered in some newspapers. Comrade Chen Yong has aired a different view in a clear-cut way, which needs theoretical courage.

II

Comrade Wang Chunyuan has frankly aired his views on several theoretical questions in debate at present in his article "Literary Critique and the Cultural Psychological Structure" (RED FLAG No 14, 1986). Some of his analyses, of human "activity" and "passivity" for example, are convincing. But some of his inferences are less so.

Wang's article has criticized a concept in Chen Yong's article: "A certain culture is the reflection of the politics and economics of a certain society, which in turn exerts great influence on certain politics and economies." It is known to all that this statement was not Chen Yong's own generalization, and it was quoted from Comrade Mao Zedong's "On New Democracy." Four years ago, when talking about Mao Zedong Thought on literature and art, Comrade Wang Chunyuan wrote: "The scientific principle of Mao Zedong Thought on literature and art and the series of correct party principles and policies for literature and art have been consecutively recovered and brought forward since the 3d Plenary Session of the 11th CPC Central Committee," this is "a fact universally known, not to be negated by anybody." He also said, it is necessary "to safeguard the militant spirit of Mao Zedong Thought on literature and art," and "to defend the living soul of the dialectics of Mao Zedong Thought on literature and art." ("Collection of Wang Chunyuan's Essays of Literary Critique," pp 170, 171) Now, with 4 years and a few months gone since he wrote the above, has this important principle in Mao Zedong Thought on literature and art become outmoded? Is it so outshone by "modern ideology" that something that should be "recovered," "brought forward," "safeguarded," and "defended" has now become something to be repudiated, negated, replaced, and relegated? Of course, if such a formula is actually wrong, we should have the courage to correct it, even if we once supported it. The issue is it is not wrong, and I believe any arbitrary negation of it is reckless.

This inference of Comrade Mao Zedong refers to the fundamental and overall situation. Ideology as a superstructure is determined by the economic base in the final analysis, while politics is the focal expression of the economy. Therefore, it cannot but reflect the requirements of the economic base as well as the social political and economic system. This is a basic tenet of historical materialism. Marx said: "People set up corresponding social relations according to the development of their own materialist production, and it is these very people that create corresponding principles, concepts and norms based on their own social relations." ("Collected Works of Marx and Engels," Vol 4, p 144) Mao Zedong's inference and Marx' discussion are unanimous in their spirit. The statement that "a certain culture is the reflection of the politics and economics of a certain society" refers to the relation between the entire cultural and artistic undertakings and the politics and economics of a certain class, but it does not mean to require every piece of work of literature and art to express political and economic life only, nor does it mean "to give direct expression" only. Comrade Mao Zedong had never set forth such mechanical requirements, but advised the writer to "observe, experience, study and analyze" "all vivid forms of life and struggle." Comrade Chen Yong has made this point very clear in his article: "Literature and art do not merely express politics and economy, nor reflect them directly. In works of literature and art, the needs of politics and economy are expressed through diversified and rich life. On this issue, oversimplification is harmful."

In "What To Do," Lenin said: "The workers themselves can by no means create an independent ideological system in their course of movement." He also stated that the doctrine of socialism "was grown out of the theories of philosophy, history, and economics created by people with a cultural background of the bourgeoisie, namely intellectuals." It is illogical for Wang Chunyuan to negate Comrade Mao Zedong's formula with these words. Lenin held that the workers' movement could not spontaneously produce socialist ideas, but had never said that socialist ideas did not reflect the political and economic demands of the proletariat. When Lenin laid stress on the three ideological sources of Marxism, he never believed that Marxism could be produced solely relying on inheriting the ideas of Marx' predecessors. On the contrary, Lenin explicitly said: "Socialism is the ideological system of the class struggle of the proletariat," "derived from the sum total of revolutionary experiences and ideas of all countries in the world." ("Collected Works of Lenin," Vol 6, p 139, Vol 21, p 332). Marxism acknowledges that ideology has its own relatively independent history of development. The national cultural psychological structure Comrade Wang Chunyuan refers to is actually something passed down from one generation to another. However, is it not true that the traditional ideological material and psychological qualities are the reflection of material life of some time past! While it had tremendous effects on the ideology and culture of later generations, without the changes in the conditions of material life, the passing down of ideology and culture would only be some continuous extension and accumulation only, and it would lose the basic ground of development and changes. Just as Engels said, economy "determines the changes in the existing ideological material and the mode of its further development, and this role mostly takes place indirectly, while the most direct effect on philosophy is the reflection of politics, the law, and morals." ("Selected Works of Marx and Engels," Vol 4, p 486) In the view of Marxism, "all concepts are derived from experiences, and the reflection of realities--either correct or distorted." ("Collected Works of Marx and Engels," Vol 20, p 661) Spiritual phenomena that transcend reflection never exist. Either traditional cultural psychology or the personal subjectivism of the writer is a thing of a second nature, and social life is the sole fountainhead of literature and art. It does not hold water to negate the theory of reflection with traditional cultural psychology or the personal subjectivism of the writer.

In his article, Comrade Wang Chunyuan put forth a surprising inference: "Marxist literature and art science is a specific branch of science, but it is not all-inclusive philosophical thinking. It is not far superior to other branches of science; and the application of its concepts and logic cannot explain all phenomena of literature and art. Regarding the whole world, it is just one of the multiple schools of literature and art science, though it is the most scientific one."

On the one hand, the author of the article acknowledges Marxist literature and art science is the "most scientific"; on the other, he says "it is not far superior to other branches of science." Is this not self-contradictory? To my mind, if it is scientific, it must be superior. True, in several capitalist countries, Marxist literature and art science is allowed its existence as one of many schools; however, in socialist countries, does it just exist as just one of the specific schools? The so-called Marxist literature and art science, despite diversified specific explanations, always has guidance of the Marxist stand, concepts, and approach as its kernel, which means the necessity to observe, and to analyze phenomena of literature and art with the concepts of dialectical materialism and historical materialism. Its superiority is primarily expressed in its guiding ideas. The Marxist guidance of literature and art work, including the research in theory of literature and art is the principle of the party and state for literature and art. This is not determined by the subjective will of anybody, but the nature of socialist politics and economics, namely the principle we have discussed above. In our country, Marxist theory of literature and art is certainly not the only topic of research. China's citizens have the freedom to believe in Marxism or other ideologies. So long as they do not violate the Constitution and the law, all kinds of views can be aired freely. The acknowledgement of this point does not necessarily mean to place Marxism among the "plurality." The cultural and artistic undertakings of a socialist state must develop along the track of Marxism; and communists must do their best to study problems with Marxist viewpoints. This is stipulated by our system, as well as the requirement for our writers and artists who are party members. Should Marxism be treated on an equal footing with Freudism, existentialism, and structuralism? I do not think it should be so. The former is our guiding idea, while the latter are the objects of our studies;

basically, they should not be treated alike. Developing Marxist theory of literature and art is the common goal of the literature and art theoretical circles. The relations between Marxism and various specific approaches to research and academic schools are not one of parallel plurality. If Marxism is regarded as one of the multiple specific academic schools, what would there be of its guiding role to speak of? Comrade Wang Chunyuan found it difficult to accept Comrade Chen Yong's concern over the fate of Marxism, but what he himself discussed in his article was precisely the place and fate of Marxism in the realm of literature and art. It seems that this question does exist, and many people are concerned about it; only opinions differ on what position Marxism should be placed.

III

Regarding the current debate on literature and art concepts and approaches of research in literature and art, some comrades have elevated it to the height of a question that concerns the attitude toward reform. I am not for recklessly labeling one's opponent as opposing reform, but I think the current debate does involve how to correctly understand and handle the reform in the research work in literature and art theories.

Reform is a complicated project. China is carrying out reform of the economic structure, in many realms of the superstructure, as well as the administrative system of literature and art. Theory and writing need be continuously developed, and we should continuously blaze new trails. I think we might as well regard development and blazing new trails as reform. The question is: What is the object of reform? Shall we reform old ideas and concepts that impede our progress, and things unsuitable to socialist modernization or shall we regard the guiding ideas of revolutionary literature and art theoretical work over decades, and Marxist historical concepts and concepts of literature and art as objects of negation? For what purpose do we go in for reform? Is it to better build socialist spiritual civilization, and promote literature and art to better serve socialist modernization, or is it to make literature and art drift farther and farther away from the times, and turn literature and art into a more and more self-endorsed state? Many comrades have been working hard in studying the new problems facing literature and art work under the new situation of reform and opening up. For example: How to adhere to and develop Marxist concepts of literature and art; how to deal with Western social ideological trends, and ideological trends in literature and art; what should be the law governing the development of socialist artistic production; how should literature and art creation better reflect the new times, the relations between the administrative system of literature and art, and the relations between the artistic and economic laws in literature and art work. We should say that all these are questions put forth in practice that need be studied seriously. Some articles are well written, not without original ideas. However, just because some articles have not broken through the basic tenets of Marxist concepts of literature and art, and adopt the accustomed concepts and terminology of traditional theory of literature and art, they are ridiculed by some public opinion as lacking "new concepts" and "modern ideas," and as old and outmoded. On the contrary, some studies divorced from reality in the view of the author have been lauded to the sky by public opinion, as a result, some young researchers have mistakenly believed that they are the representatives of the reform trends, which should be followed as an example.

In discussing his theory of "subjectivity," Comrade Liu Zaifu says, such a theory "may possibly lead to comparatively great changes in China's modern theoretical structure of literature." ("On the Subjectivity of Literature") Such changes would only mean making literature and art change from facing society and the masses to facing "literature itself," "the internal universe," and "the self-realization of the writer." He says:

"Once the writer places the focus of his thinking on social problems, his works cannot but be restricted by the problem structure, thus weakening the relevation of the rich human internal world. Generally speaking, such works can hardly possess a high aesthetic value." ("He Has Pushed Love Toward Every Green Leaf," carried in DUSHU [BOOK READING] No 9, 1985)

"The highest level of the writer's subjectiveness is his own self-realization. The so-called self-realization is the full revelation of the writer's own spiritual world." "The writer must turn to himself, rely on, and define himself, and he must realize himself."

"Man will always be restricted by society and nature, and he will always experience the pain of being restricted. Therefore, man always tries to regulate his understanding and emotion, in order to surpass such restrictions. Thus, aesthetic activities are regarded as a means for overcoming restrictions, through which all that cannot be realized in reality is fulfilled." ("On the Subjectivity of Literature")

In Comrade Liu Zaifu's view, the world in reality will always restrict man, and literature and art should help the readers "surpass" reality, so as to fulfill what cannot be realized in the world. Likewise, the real world is always restricting the writer, who should do his best to surpass reality, and be intent on discovering his own "internal universe." He should be "aware of the fact that his internal universe is a self-regulating system possessing infinite capability for creation, and its subjective power may be brought forward to a splendid degree, and be realized to that degree." This is not enough, "the writer may suppose himself to be God that is capable of conquering all and dominating everything, in order to thoroughly surpass his own limitations, and to affirm his omnipotence." ("On the Subjectivity of Literature") Just imagine, if literature and art are to be relieved from the world of reality drifting farther and farther apart from socialist construction and the undertakings of reform, and even allow people to become "God," "to conquer all," and "to dominate everything" in their imagination through aesthetic activities, should we not put a question mark to such a theoretical "reform"!

In his "Report on the Seventh Five-Year Plan," Comrade Zhao Ziyang pointed out, philosophy and social sciences should "follow the principle of linking theory with practice, explore and solve important questions put forth in reform and construction by actively applying Marxist tenets, and do their best to enrich and develop Marxism in practice." Doubtlessly, we should earnestly implement this principle in our research of literature and art theory. Linking theory with practice means the application of Marxist tenets, summing up historical experience, and studying the new problems put forth in practice. We should not only study artistic production itself, but also the requirements of the times for artistic production as well as all kinds of new conditions at home and new problems in world literature and art. We should deviate from neither Marxist guidance nor the realities of socialist construction and reform in our research. The principle of linking theory with practice was first proposed by the party 4 decades and more ago, however, it is not outmoded today, nor will it be in the future. The present condition of theoretical work in literature and art has precisely demonstrated the need for, and the importance of implementing this principle.

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CSO: 4004/65

WE MUST HAVE THE COURAGE TO TALK ABOUT MAJOR PRINCIPLES WITH PERFECT ASSURANCE

Beijing RED FLAG in Chinese No 16, 16 Aug 86 p 38

[Article by Si Jinquan [0674 6930 3123] excerpted from QUN ZHONG [5028 5883] No 7, 1986]

[Text] Recently, there has been a common saying worth paying attention to. It goes: "As we now stress actual benefits, there is no need to bother with major principles." Some leading cadres, as well as political workers, dare not talk about major principles with perfect assurance.

What are the "major principles"? Generally speaking, the "major principles" we talk about are the basic theory of Marxism, patriotism, collectivism, and communist thought. Lenin pointed out: "There will be no revolutionary movement without revolutionary theory." This describes in a general way the important role of revolutionary theory in the cause of proletarian revolution.

"When talking about the major principles, some people will say that this is another way of telling lies, exaggerating things, and indulging in idle talk. In order to avoid being suspected, it is better to simply not do it." "The practice of telling lies, exaggerating things, and indulging in idle talk" is an impractical and inappropriate slogan proposed in connection with the subjective views of some people. By means of putting labels on people, hitting people with big sticks, and capitalizing on other's vulnerable points, these people criticize and threaten others with this slogan. But the "major principles" we talk about here are to discuss and explain the truth of Marxist revolution by integrating it with the objective reality. The aim of doing so is to guide the implementation of socialist construction and urge people who act on reason to play an exemplary role in this area.

"Talking about major principles is just like quenching a fire with distant water, and it is better to make judgment according to individual cases." Of course, it is very important that we conduct education in the light of specific problems. People's ideological problems are, however, not easily solved by making judgment according to individual cases. Proceeding from their appearance, it seems that the major principles are not "practical." But they are indeed endowed with a powerful inherent force. Marx said: "So long as a theory can convince people, the masses can be taken into our

As opposed to this, an ideal demands that both wish and possibility are unified. According to the viewpoint of materialism, wishes belong to the spiritual realm. They can be realized only when they reflect the demands for historical advancement and the needs of social development. If they run counter to these demands and needs, they may lose the possibility of realization. Moreover, we should note that even though human wishes correspond to the demands of historical development, when people have not yet discovered the innate inevitability of the realization of the wishes and hence are in a state of blindness, they will be unable to find the road and method for realizing their own wishes and will thus unavoidably meet with setbacks and failures in actual practice. It is only when people, after having suffered setbacks and failures, have come to understand the objective laws and found the road and method to realize the wishes that wish and possibility can be unified and their wishes and objectives sought for can become ideals that can be realized.

The reason communism can become the great ideal of the proletariat is not because Marxism has made a lively and concrete description of future society. Precisely the opposite; Marx' description of future society is based on principles, whereas a vain socialist description is much more lively and concrete. The drawing power of Marxist theories lies entirely in their scientific character. Over thousands of years, an idealist conception has dominated the social sciences and made various kinds of idealist interpretations of human history. Just how society has come into being and developed had been an unsolved question all along. Marx applied materialist theories to the study of human society, discovered historical materialism, and for the first time scientifically unveiled the laws of the development of human society. He took a step forward to study the capitalist society, uncovered surplus value, and, for the first time, unveiled the secrets of capitalist exploration, discovered the laws governing the development of capitalist society, and reached the scientific conclusion that capitalism would inevitably be eliminated and there would be the inevitable triumph of socialism. Just as Lenin pointed out: "This conclusion of a capitalist society being inevitably transformed into a socialist society was reached by Marx wholly and solely in accordance with the laws of the economic development of modern society." ("Collected Works of Lenin," Vol 21, p 51) From this it can be seen that our communist ideals are built on the basis of scientific knowledge about the laws of development of human society. The more penetrating this knowledge, the firmer is the faith in the struggles for the communist enterprise.

How is it possible to build our ideals on the foundation of scientific knowledge about the laws of the development of human society? The most important thing is to get an understanding of the theoretical weapons of human society. In the process of revealing the laws of development of nature and human society, Marxism has furnished us with a basic stand, viewpoint, and method for knowing the world and transforming the world. If we will study Marxism hard and consciously employ this weapon to study and transform the world, it will enable our ideals to correspond with the demands of historical development and increase the possibility of their realization. Naturally, this is not meant to say that possessing a superior social system and the ideas and guidance of Marxism, each individual will be able to naturally establish scientific ideals, since we must also take into account the subjective and objective factors of each individual. However, the socialist system and Marxism definitely determine scientific ideals for us and provide us with beneficial social conditions, ideas, and guidance. We must treasure them, be skillful in using them, and correctly select the future objectives we wish for and will go after.

II

An ideal is the unification of not only wish and possibility but also actuality and future. An ideal comes from reality, yet is higher in status than reality, and conversely plays the role of guiding and promoting reality. That ideal is derived from reality means that it does not come from nothing and is not a meaningless thought with no supporting basis, but is a scientific conclusion derived from a scientific analysis of historical experiences and actual conditions. It is a future objective to struggle for and is determined by real conditions. Divorced from actual conditions, an ideal is water without source and a tree without roots, is like a castle in the air. There would be no basis at all to talk about fighting for an ideal. This applies to social ideals and likewise to individual ideals. In determining individual's ideas, no individual should be divorced from reality or harbor vain thoughts. He or she must start with individual real conditions; consider his or her own surrounding objective conditions, including social conditions, historical conditions, work or living environment, and so forth; and must also consider one's own subjective conditions, including individual history, current status, capacity, speciality, wishes, interests, hobbies, and so forth. These must be integrated so as to determine one's own ideals and choose the future objective to struggle for and the direction of efforts.

An ideal has its source in reality yet is higher in status than reality. If an ideal is treated with the same status as reality, then people would be satisfied with the existing conditions and ideals could be annulled. An ideal proceeds from reality to seek a higher objective. It implies transformation and development of reality and the making of a more perfect and more exalted realm than reality. Hence, an ideal is the improvement of reality. It is the future of reality or the reality of the future. It advocates to mankind an even more exalted objective to struggle for and displays even more beautiful prospects, giving people the direction for advancement, strength to go forward, and the confidence and courage to overcome difficulties. Thus, an ideal becomes an enormous promotional force for social progress and historical development and the spiritual pillar of support for opening up, advancing, and transforming reality. In the new democratic revolution, the elder generation of revolutionaries never hesitated to offer their own flesh and blood; in the course of socialist construction, a countless number of heroes were keen on reform, working tirelessly day and night. The reason for doing so is their tireless pursuit of the gigantic objective of communism.

That an ideal is derived from reality but is higher in status than reality has given rise to the problem of how to treat the relationship between an ideal and reality. It must first be noted that from reality to ideal we must go through a process of struggle. Communism is the ultimate fighting target and the highest ideal of our party. This highly exalted ideal cannot be realized all at once, but certain stages of development must be passed through. Hence, aside from this highest ideal, there must be a fighting target for each period. The fighting target for each period thus forms the party's minimum guiding principle for each stage of historical development. For example, in the period of the democratic revolution, the party's minimum program was to overthrow imperialism, feudalism, and bureaucratic capitalism, and to form a people's democratic republic under the leadership of the working class and on the basis of the worker-peasant alliance. In the current period of socialism, the party's program and demand are the realization of the four modernizations and establishment of a modernized highly democratic and highly civilized socialist nation. Only through the party leading the people of the whole country to realize the historical tasks of one period after another can the ultimate objective of communism be attained and can the great ideal of communism be realized. This then brings up the problem of the relationship between the highest ideal and the revolutionary tasks of the various revolutionary periods, and also the problem of the relationship between the ultimate objective and the realistic objective. In the "Communist Manifesto," Marx and Engels furnished us with basic theoretical guidance to handle these relationships. They wrote: "In the various developmental stages passed through in the struggle between the proletariat and the capitalist class, from beginning to end the communists have acted in the interests of the whole movement." ("Selected Works of Marx and Engels," Vol 1, p 264) "The Communist Party members have struggled for the working class for the latest objectives and interests, but at the same time and in the course of the current movement, they represent the future of the movement." ("Selected Works of Marx and Engels," Vol 1, p 284) In other words, when accomplishing the current tasks people must not forget the long-range objectives of communism. The struggle for the ideals of communism must be planted on fulfillment of the actual revolutionary tasks. The struggle for the highest ideal and fulfillment of the current revolutionary tasks are dialectical unified relationships which complement each other. Communism is our ultimate objective, and the highest ideal and fulfillment of the realistic revolutionary tasks is building a bridge leading to communism. Divorced from the ultimate objective we shall lose the direction of proceeding forward and the strength of encouragement. Departing from completing the realistic revolutionary tasks will change the highest ideal into vain talk. Conversely, the reasoning is the same. If man's future objective is the more definite and faith in the ideal is firmer, his understanding of the work before him will be deeper and his enthusiasm for work will be greater. Similarly, the better and the more thoroughly the current tasks are fulfilled, the more advantageous will be the realization of the communist enterprise. This is precisely the reason why communists are inevitably the most thoroughgoing adherents of democracy and the most outstanding builders of socialism. Regarding this problem, we should oppose not only "idealists" who talk vainly about communism, but also the blind "realists" who reject communist ideals. We advocate the unification of ideal and reality, encourage people to enthusiastically engage in realistic struggle to build socialism for the purpose of realizing the long-range ideals of communism, encourage people to become far-sighted and men of action, and encourage actually laying the groundwork for the communist edifice and attending to the supplementary building details.

III

An ideal is the future of reality. This being the case, how is it possible to proceed from reality to the future and to enter into the realm of ideal? This will necessitate the union of the subjective and the objective and guide struggle onto the concept of ideal.

An ideal reflects the demands of both the subjective and the objective and serves as the dialectical unification of these two sides. In his analysis of Engels' ideal concept, Pulihanov pointed out: "Seen from the objective side, Engels' tenet carries the following meaning: In its process of transformation from one form to another, reality attracts him and makes him one of the necessary tools in the oncoming transformation. Seen from the subjective side, Engels was extremely anxious to take part in historical movements. He believed this to be a duty he should perform and a gigantic task for his whole life." ("Selections From Pulihanov's Philosophical Writings," Vol 1, p 547) This introduction to Engels' concept of ideal is extremely unique. An ideal, on the one hand, reflects the objective demands of social development, and, on the other, embraces the subjective desire of man's wish to struggle for these demands. The lack of any one side means an ideal cannot be formed, and failing to have the two unified can likewise not form an ideal.

On the basis of the viewpoint of ideal being the union of subjective and the objective, it may be seen that evolution from reality to the future and from current conditions to the realm of ideal will need to pass through four stages: 1) Reality's objective demands which form an ideal's basis and actual contents; 2) man's understanding of this kind of historical demand and the theories formed on the basis of this understanding, which is the reflection of the realistic objective demands in the stance of concept; once formed, it plays guiding role in man's actions; 3) man's willingness to bear the burden of history, forming the conviction to lean to and seek future objectives; and 4) conversion of this into practical transformation of nature and transformation of society, that is, man's conscious struggle for the realization of his own conviction. Only under such conditions is it possible to gradually reach the realm of ideal. Therefore, determination and action serve as the factors for man's subjective wishes to inevitably become the organic constituent portions in the realm of ideal as well as the necessary conditions for its realization.

Since ideal embraces the factors of subjective desires, we cannot equate ideal to theory. Theory and ideal are both types of concepts. They are extremely closely related to each other, but their meaning is not the same. Scientific theories reflect the objective laws of the world and may rise to become rational human knowledge. For example, Marxism is a science pertaining to the laws of nature, society, and human thought. But Marxist theories, including the conclusions related to socialism and communism, still reflect the demands of the objective world. They still have not solved man's subjective wishes and attitude in regard to these demands and can only be called theories and not ideals. Only when Marxism's conclusions regarding socialism and communism are accepted by people and become the fighting target of individuals, classes, political parties, and the state can they become ideals. Hence, we should not think that possession of Marxist theories automatically solves the problem of ideal. We must propagate scientific socialist theories to the populace so that they become their convictions and so that they are determined to struggle for this beautiful objective; only then can it be said that the theories have become the public's ideal.

Fighting spirit is the intrinsic meaning of ideal and is also the necessary condition for the realization of any ideal. An ideal is beautiful and resplendent, but the road to its realization is tortuous and difficult. Only when people are fearless of the difficulties and overcome the various kinds of difficulties can they reach this beautiful realm of ideal. Generally speaking, the degree of ideal's perfection and beauty is in direct proportion to the extent of the difficulties in its realization. The more beautiful the prospects, the harder will be their realization. Communism envisages human beings' most beautiful and brightest society. At the same time, the realization of communism is mankind's heaviest and most difficult task. Just as Comrade Liu Shaoqi said: "On the one hand, we must understand that the communist enterprise is an unprecedentedly great enterprise in the history of mankind. Communism will, in the end, eliminate exploitation and the classes, and will liberate the whole human race, bringing human society to an environment which is unprecedented, exceedingly bright, and beautiful. On the other hand, we should understand: that the communist enterprise is an unprecedentedly difficult enterprise in the history of the human race, and must pass through prolonged, difficult, and tortuous struggles before triumphing over the most powerful and stubborn enemies and over all exploiting classes. After the triumph, a prolonged period of patiently carrying out socioeconomic transformation and ideological and cultural transformation will still be necessary before we can eliminate all the influences and traditional practices left over by the exploiting classes on the populace and build a new socioeconomic system and a new communist culture and social morals." ("Selected Works of Liu Shaoqi," Vol 1, pp 123-124) In our struggle for communist ideals, we must definitely be ideologically prepared for a prolonged and difficult struggle and have the determination to overcome all sorts of difficulties and obstacles. Without such determination and courage, and lacking an indomitable fighting spirit, the beautiful ideas will rapidly burst like a multi-colored soap bubble. We have frequently seen many people who were at one time infatuated by the beautiful ideals of communism, but because of the lack of ideological preparedness to stage a long and difficult struggle, some succumbed before the enemy, some retreated in the face of difficulties, some wavered before setbacks, and some became downhearted and relented because of failures. On the other hand, those comrades imbued with a great fighting spirit, just as Marx described, looked at the struggle as their greatest happiness, as if the more dangerous the environment and the more difficult their tasks, the firmer their faith in the struggle. This clear-cut comparison explains to us the great importance of a fighting spirit in realizing the ideals of communism.

IV

Each and every individual lives in definite social situations, hence between people there are definite social relationships. The sort of ideals embodied in people's thoughts and viewpoints are determined by their social status. The realization of people's ideals also come under the control of the economic, political, and cultural development of the entire society. Hence, a correct handling of the relationship between an individual's ideals and the ideals of society is an exceedingly important problem.

Under the exploitation system, the broad masses of laboring people and the exploiting class are situated in a sharply contradictory social status. Their social ideals and individual ideals are basically different. The ideal kingdom of the exploiters is precisely a dark hell for the workers. Even within the exploiting class, the private ownership system also puts them, in their struggle for individual objectives, in life-or-death struggles, defaming and cheating each other. Hence, in a society under the rule of the exploiting class, one individual's ideals and another individual's ideals frequently are in serious opposition. The realization of one individual's ideals and targets frequently have the precondition of damaging another's interests and keeping other people's ideals from being realized. In the final analysis, this phenomenon is determined by the nature of a society under the system of private ownership.

A socialist society eliminates class conflict and class exploitation. It establishes the public ownership system of the means of production. The fundamental interests of the broad masses of people are unanimous. This builds the foundation for unifying individuals' ideals and social ideals. In the relationship between social ideals and individual ideals, social ideals occupy the leading and determining position. Social ideals refer to the most beautiful and best social order people are looking for. For example, our highest ideal is communism and our current ideals are realizing the four modernizations and establishing a modernized, highly democratic, and highly civilized socialist country. These social ideals reflect the general laws governing social development, exhibit the inevitable trend of historical progress, and represent the basic interests and common objectives of people of the whole country. Each and every member of society should struggle for them. This is what social ideals demand of individual ideals and it determines the basic direction and entire objective of individual ideals. If individual ideals follow this objective, then success can be readily attained; but if they go against this objective, failure can easily result. Therefore, an ambitious youth should consciously follow social ideals and determine, readjust, and revise individual ideals so that the individual ideals and social ideals are the same.

Social ideals control individual ideals but are not the same as individual ideals. Social ideals envisage the fighting target of entire party and state, but the realization of these targets and tasks depends on the coordinated efforts of all party members and the broad masses of people. However, the situations of individuals are immensely different one from the other. This will require the individual to start from his own actual situation, determine individual ideals and fighting targets and plan for himself to make contributions to realizing the four modernizations and the communist enterprise.

Individual ideals are the individual's social ideals, moral ideals, professional ideals and life ideals all woven into an organic body. Under socialist conditions, an individual's social ideals are unanimous with the fighting target of the whole party and the state. They both aim at building a modernized socialist state which has a high degree of democracy and a high degree of culture, with the ultimate objective of attaining communism. But this does not mean that an individual's social ideals can be dispensed with, because an individual's social ideals must still solve the problem of how to devote his efforts to realizing the common fighting target of whole society. Only by so doing will it be possible to link the party's and state's ideals and individual ideals into an organic body so that the social ideals fall onto the shoulder of the individual and thus fully arouse each and every individual's enthusiasm to undertake the fighting target for socialism and communism.

Moral ideals refers to the moral standard for human behavior that people like and strive for. Professional ideals refer to people's choice of a future profession and struggle for the anticipated results. Life ideals refer to the standard and form of material and spiritual life that people want. In individual ideals, social ideals occupy a central position and keep other parts under control. When a person decides on the struggle for communism, naturally he will follow the communist moral standard and make himself a respectable person. He should, in accordance with the requirements of communism, select his own profession and arrange for his own life. Naturally, this is not to say that an individual's moral ideals, professional ideals, and life or living ideals are of no importance and can be dispensed with. Regarding this problem, it is necessary to guard against two tendencies: The first is to talk only about social ideals and not want individual ideals, treating individual ideas as individualism and saying that the seeking of individual ideals is the individual's struggle. In reality, there is a clear demarcation line between individual ideals and individualism. A correct individual ideal is unanimous with the party's and state's ideals and is beneficial to the latter's realization. This kind of individual ideal should not be opposed but advocated. On the other hand, individualism runs counter to the party's and state's ideals and the collective interests. It is realized frequently through resorting to harming other people and benefiting one's self. Doubtlessly, individualism must be opposed. Hence the task before us is to help people correctly set up individual ideals and not oppose this as if it were individualism. Our past lessons in this regard have been deep and penetrating. The second tendency is to talk only about individual ideals and not about social ideals. This is likewise erroneous, because if individual ideals are divorced from the guidance of social ideals, they will lose direction and take a sideways path.

The union of individual ideals and social ideals is built on the unanimity of individual interests and social interests and on the foundation of people's unanimous and conscious understanding of this unanimity. A socialist society basically changes the state of opposition between individual interests and social interests and creates a firm foundation for the union of individual interests and social interests. Abiding by social interests and struggling for the collective enterprises does not impede the development of individual interests and of the individual, but provides assurances for realizing social interests and the conditions for individual development. Under socialist conditions, because of the limitations of the level of economic development, the demands for social development and individual development cannot be exactly alike. Individual ideals are required to obey social ideals and, in extreme cases, it may be necessary to sacrifice individual ideals for the sake of realizing social ideals. But a sacrifice of this kind is much smaller in scale than sacrifices in the past eras of war and revolution. Nevertheless, it still cannot be entirely avoided. However, the basically unanimous nature of social ideals and individual ideals determines that triumph in the socialist construction enterprise naturally will provide increasingly sufficient conditions for individual development and open up a larger universe for the display of individual talents. At the same time, the development of the individual will in turn push forward with force social advancement. It is precisely in this kind of a dialectical movement that the individual's development attains increasingly greater freedom and plays an increasingly large promotional role for the entire society. The ultimate result is exactly like Marx' and Engels' prediction in the "Communist Manifesto": "The free development of each and every individual is the condition for the free development of all people." ("Selected Works of Marx and Engels," Vol 1, p 273) This is indeed the happiest and most beautiful communist society which people crave in their dreams.

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CSO: 4004/67

WHY IS IT THAT THE BASIC WAY OUT FOR THE MOUNTAINOUS AREAS IN BECOMING RICH IS TO DEVELOP COMMUNICATIONS AND CIRCULATION AND TO ENLIVEN THE ECONOMY?

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 44-45

[Article by Li Yandong [2621 1484 2639]]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, in our mountainous areas the economy has developed relatively quickly and there has been some improvement in the peasants' livelihood. But compared with plain areas, our mountainous areas still lag behind to a fairly great extent. This is because in our mountainous areas, the peasants carry out a mainly self-sufficient production with little amounts of surplus products to sell. In addition as communications facilities are poor there, and as there are few commercial firms, a small market and backward means of circulation (such as those for processing and storing goods), it is very difficult to exploit the resources in our mountainous areas or to move surplus labor there. As a result, the economy in our mountainous areas as a whole lacks vitality. Therefore, developing communications and circulation, and enlivening the economy will play a very important role in making our mountainous areas overcome poverty, become rich and change the current situation.

1. Developing communications and circulation can vigorously help give play to the advantages of our mountainous areas having rich natural resources. For a long time, we have not been able to exploit many resources in our mountainous areas because of the poor communications facilities and the lack of circulation channels there. For example, every year, the 46 counties in the Qin Ling and the Ba Shan areas of Shaanxi Province can produce over 40 million jin of yangtao. This is a great wealth, but because we have not yet solved the problems related to processing, communications and transportation, these yangtaos rot and cannot be used. Because of poor communications facilities, every year over 20 million tons of the coal produced by township and town coal mines in Shanxi Province are stockpiled. It is wasted owing to spontaneous combustion and weathering and is washed away by water, but we can do nothing to stop that. From this we can see that giving priority to communications and circulation and making great efforts to satisfactorily solve this problem will enable our mountainous areas to fully exploit and utilize their rich natural resources, quickly develop their commodity production and thus overcome their poverty and become rich.

2. Developing communications and circulation facilitates exchanging goods between areas to make up for what they lack, attracting funds, technology and personnel from outside, and thus enabling our mountainous areas to have greater vigor in developing their economy. There are rich natural and labor resources in our mountainous areas, but the educational level of the people there is relatively low and there is a shortage of necessary funds, technology, equipment and personnel. When these areas have developed their communications and circulation and enlivened their economy, they will be able to attract funds, technology, equipment and personnel from relatively developed areas. Then it will be easier for new productive forces to take shape and to promote the development of economy in these areas. At present, 20 percent of labor in our mountainous areas as a whole is surplus. In some areas, the percentage is 60 percent. The development of communications and circulation can include the development of animal breeding industry, the industry to process agricultural and local special products, handicraft industry, commerce, transportation and service trades, and thus provide many job opportunities for the surplus labor there. Moreover, our mountainous areas can also make arrangements to supply labor to our developed areas.

3. Developing communications and circulation can raise the commodity rates of agricultural and local special products, gradually put an end to the practice of unequal value exchanges between mountainous areas' agricultural and sideline products, and industrial products, and increase peasants' income and the accumulation of the collective economy there. The commodity rate of agricultural products in our country's mountainous areas is very low. According to the estimate of the relevant department, it is 25 percent below the national average. Many products in our mountainous areas are clearly regional and seasonal in nature. As seasons and areas vary, so does the amount of agricultural and special local products put on the market, and so relatively greatly does their prices. Under the circumstances of a shortage of communications and circulation facilities, there will often be difficulties for peasants in selling their products when they grow more crops or breed more animals. When we have developed communications and circulation, which are the intermediate links between production and consumption, we will have the means to move away, store, process and transport these products, and thus to some extent ease the contradiction between production and sales and overcome regional imbalance. This not only reduces the losses of agricultural products, but can also increase the value of these products because the communication and circulation sectors will add value to these products. According to an investigation into typical cases, often the added value put on by the communications and circulation links can increase the value of the products several, and even over a dozen, times. In some mountainous areas where there are few commercial activities and poor communications facilities, when agricultural products are exchanged for industrial products, the prices of agricultural products often tend to be too low and those of industrial products tend to be too high. As communications and circulation develop, this irrational practice will gradually be abolished. This will facilitate increasing the income of our mountainous areas.

4. Developing communications and circulation facilitates gradually changing the concept of self-sufficiency in the minds of the peasants in our

mountainous areas. The long-standing isolation from the outside world has given rise to a characteristic in the producers there that they supply what they need themselves and are not good at having contacts with other people. In the past, they ate what they grew and used what they produced. They have neither many things to sell nor to buy, and they have a strong natural economy mentality. Developing communications and circulation and enlivening the economy in our mountainous areas not only lays a material foundation for putting an end to the cultural, educational, scientific and technological backwardness there, but will also widen the peasants' field of vision, urge them to change their natural economy mentality and foster a sense of business. This will in turn promote the development of commodity economy there. More importantly, developing communications and circulation can guide the development of the economy in our mountainous areas toward the direction needed by our society. For example, the peasants in Xingguo County, a mountainous area in Jiangxi Province, have a tradition of breeding gray geese and ducks. Over the past few years, the county has learned from market information that processed goose and duck down can be sold and there is a great demand for it in our society. Therefore, it has set up a joint venture with an outside area to expand its down products manufacturing factory so that it has the capacity to process 1.5 million geese and 1 million ducks a year. Since this project was completed, not only has the output value of the factory been directly increased by 9 million a year, but it has also assisted the development of goose and duck farming, the goose and duck food industry, the garment industry, the communications, transportation and other industries there.

In the process of developing mountainous areas, many areas have summed up their experience as follows: All undertakings will prosper when circulation is unblocked; and if one wants to become rich, one has first to build roads. From this we can see that developing communications and circulation, and enlivening the economy is the basic way out for our mountainous areas in becoming rich.

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CSO: 4004/65

WHY IS COMPENSATION NECESSARY FOR THE USE OF LAND IN CITIES?

Beijing RED FLAG in Chinese No 16, 16 Aug 86 pp 45-46

[Article by Li Mengbai [2621 1125 4101]]

[Text] Generally speaking, urban land denotes land within the scope of urban plans, including the land for buildings and construction, the land for roads, rivers, and communications facilities, the land for squares and other public facilities, the land for parks and other sites of afforestation, the land for growing vegetables and for other production purposes, and so on. All the above-mentioned land is generally called urban land. At present in most of the cities in our country, there is a shortage of land as well as a waste of land resources. This is mainly shown in the following facts: On the one hand, some enterprises and institutions find that the area of land that has been allotted to them by the plans is not enough because they want to expand their production and operations. On the other hand, some units have acquired more land than they need and thus have an excessively large area on which to make a show on a big scale. A small number of units have even let the land that they have acquired lay idle. What is common in these units is that they all regard the land that the state has allocated to them for their use and that is owned by the state as "their own property." Therefore, they would rather let the land lay idle than give it to other units. This has not only given rise to a waste of urban land, but has also aggravated the urban land shortage. Therefore, waste of land is a problem that urgently needs to be solved in our urban land management at present.

There are many reasons for the waste of urban land, including the imperfect legal system, the failure to strictly implement existing laws, loopholes in urban planning, and failure to vigorously carry out plans. An even more profound reason for the waste of urban land is the long-standing practice of the free use of urban land. In order to solve the problems related to huge waste and low efficiency in the use of urban land, in addition to strengthening our administration by the legal system and plans, what is more important is to apply economic means and switch from free to paid use of urban land.

Paid use of urban land has the following advantages:

1. It facilitates conservation of land resources. When charges are imposed for the use of urban land, there will be charges for surplus and idle land

according to the area and the rate of payments. This will urge our units to pay attention to calculating and raising the economic results in the use of land and thus urge people to value each inch of land. This will give rise to a good habit of land conservation.

2. It facilitates a rational use of land. The charges for the use of land vary as the location of land varies. The difference may be by several or even tens of times. This will overcome the malpractice of all people wanting to live in the central and prosperous areas of our cities, urge the units that use land to make their choice according to their actual needs and obey the arrangement of our urban planning departments, and enable us to make progress toward the goal of rational use of all our land.

3. It facilitates raising the level of administration and management of our enterprises. Because of their different physical locations, enterprises of the same type that operate under the same conditions (such as personnel, funds, and equipment) will have different turnovers and earn different incomes. This is particularly true for commercial and service enterprises. This difference in income is not caused by differences in labor. According to the principle of differential rent, differential charges for the use of land will be imposed on the enterprises that use the land. This will make the enterprises that are in different physical locations and that are of the same type compete with one another on roughly the same basis and thus urge them to improve their administration and management.

4. It facilitates stabilizing the sources of funds for our urban construction. Our urban governments make efforts to open up land in the urban areas and to various extents provide conveniences for the units that use the land. The rents that the units that use land pay to the governments according to the principle of differential rents is a way to compensate for the cities' expenditure in urban construction. The rent collected by the cities (no matter which department collects the rent) must all be spent by the cities in maintaining their infrastructure and opening up new areas. By so doing, we will be able to satisfactorily develop our urban construction.

An important way to conduct the practice of paid use of urban land is that our urban land administration departments collect rent for the units that use land in accordance with Marx' principle of differential rents. So far, some cities have carried out some very effective experiments in this area. For example, Fushun city in Liaoning Province has set different standards for rents for different sections of land in different districts owned by the state and within the scope of urban plans in light of the principle of both persisting with the practice of paid use of land and making distinctions in order to prevent "uniformity." It collects rent for the land used by state-owned and collective enterprises and individuals. But rent is exempted for the time being for the units that rely on financial allocation of funds, of which the expenditure is paid by the state, and which do not have operational income, such as organs, troops, schools, and cultural units, and for the land used by urban governments as parks and for afforestation. It reduces, delays payments of or exempts the rent from the enterprises that earn little profit or suffer losses in light of their cases, and imposes fines on the units that use land in violation of the regulations without approval, imposing additional land charges on them. The rent that it has collected is managed by the urban planning department and is entirely spent on maintaining and developing the city's infrastructure. As a result, it has intensified its overall administration over urban land, raised the economic results in using urban land, gradually given rise to a good habit of land conservation and rational use of land, and finds additional sources of funds for the maintenance and development of the urban infrastructure. This practice has thus played a positive role in improving urban production and living conditions.

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IDLE TALK HARMS THE COUNTRY, AND ONESELF AS WELL

Beijing RED FLAG in Chinese No 16, 16 Aug 86 p 47

[Article by Shen Yingxuan [3088 6601 6693]]

[Text] The practice of indulging in idle talk was very popular during the Wei and Jin Dynasties. Gentry, officials, and scholars of that time scrambled for the practice. Whoever made the most outstanding, mystifying, and abstract talk received the highest appraisal. Whenever someone became famous in this practice, others who were not convinced of his talk always called on his house and had to hold "talks" with him to see who was better. The practice of indulging in idle talk seemed the most delightful thing in the world.

Some 1,000 years have passed. Generally speaking, our contemporary organs, which aim at serving people, and our cadres engage mainly in practical work. But the evil practice of indulging in idle talk still seems to exist. For example, some comrades do not adopt any practical or effective measures though they have made impressive talks on the necessity and urgency of many things. Some even just repeat the spirit conveyed by the central authorities and the upper level, and that is it. Nor do they carry out any creative work or solve any practical problem for the grass roots. Though both the form and style of idle talk now are different from that in the Wei and Jin Dynasties, they share the characteristic of only indulging in idle talk and doing no practical work.

Some people always sigh with feeling and say that some problems have become "long-standing, major, and knotty" ones. In fact, some problems are called "knotty" not because the problems themselves are "knotty" but only because they have not been seriously dealt with. Even though they have been handled, the work of handling these problems was just superficial and did not bring any practical results. For instance, over the years there has been a loud cry about the poor service attitude, and the masses have repeatedly complained about this. Can we therefore take it as an insolvable problem? In our socialist state which focuses on serving people, I am afraid this is an incomprehensible statement. It is mainly because, I believe, the relevant leading departments do not handle the work "seriously" enough. Therefore, the work of "improving" the situation proposed time and again in the past also becomes a topic of idle talk.

During the Wei and Jin Dynasties, there were reasons for the prevailing practice of indulging in idle talk. Since the emperor of the state was fond of ladies with slender waists, many maids of honor died of starvation trying to win his favor. The feudal rulers of the Wei and Jin Dynasties praised the practice of indulging in idle talk, so that it was endowed with great magic power. For example, during the late Jin Dynasty, Wang Yan was appointed prime minister because he was good at the practice. Now, why are some people still so interested in idle talk since the CPC Central Committee repeatedly stresses the act of seeking truth from facts? This is mainly because to carry out the four modernizations and reforms, we must act step by step, conduct investigations at grass roots, and integrate the central policies with reality. But this work consumes a great deal of effort and its progress is not as fact as that of engaging in idle talk. One can discuss the way without leaving one's house. Furthermore, no one can be wrong on the principle of discussing the "way." Thus, this is the first reason for people indulging in the practice. Probing the issue further, we are still exploring the right way for carrying out the four modernizations and reforms, and there is always the possibility of making mistakes. Would it be better to repeat what the "upper level" said, so that we can "act in unison" with the upper level while being free from assuming any responsibility? Therefore, being safe is the second reason for indulging in the practice. It cannot be denied that some leaders are divorced from reality. They are apt to listen to the flattery of their subordinates. As the leaders do not question the truth of their subordinates' reports, people who are good at exaggerating things and indulging in idle talk can sell their skill. It is possible that those who are "rather skillful" in making the "talk" will be appointed to a government job. This is the third reason for indulging in the practice. Needless to say, the overstaffing of organs, unclear duties incumbent on each post, bureaucratism, sluggish work style, and so on also cause people to indulge in the practice.

The practice of indulging in idle talk may harm the country. Lu Xun said: During the Wei and Jin Dynasties, "many people indulged in idle talk for no reason and drank. Their performance was so incompetent that the political work was adversely affected and the 'empty-city stratagem' they developed was impractical." Because Wang Yan only indulged in idle talk but minded no state affairs, he was eventually captured by the army of Liu Yuan. Only on his deathbed did he realize his fault and said: "If we stopped indulging in idle talk and handled our state affairs well, we might not end in this situation." His repentance was, however, too late. From this we can realize that the practice of indulging in idle talk not only harms the country but also oneself. If, over a long period of time, one only indulges in idle talk and does no practical work, one's ability to solve issues will inevitably be weakened. When it is time to take the matter "seriously," one will lack self-confidence, be all thumbs, and be incompetent. There are many historical examples of this, and we should draw lessons from them.

We are glad to see that in all areas where reforms are carried out well and in units that implement the responsibility system well, only a few people engage in idle talk. Proceeding from this, we can see that the practice is not an incurable disease. The key to overcoming it is to carry out reforms. I only hope that when correcting the work style of engaging in idle talk, we should also guard against ways of acting superficially.

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BEHIND SECRET ANGUISH LIES REJUVENATION--READING THE NOVEL 'SECRET ANGUISH'

Beijing RED FLAG in Chinese No 16, 16 Aug 86 p 48

[Article by Wu Bingjie [0702 4426 2638]]

[Text] This is indeed a contradictory social phenomenon: Unscrupulous tactics seeping into an open and progressive cause. Villages engaging in industry and developing commodity economy, and allowing a batch of people to prosper first--this policy of historic significance has, to one's surprise, been first realized in Siping village by a disreputable person who "runs around all day." In control of capital, credits, as well as the various links in product marketing, he collects all electric cables manufactured by each family and each household and draws a percentage in their sale. Then, he transports the inferior quality but highly priced commodity through his "network of contacts" to all parts of the country, thus deceiving consumers. The papers and radios laud him for "not only prospering himself, but also leading his village to wealth." Hence, with legitimate efforts to prosper resigned to impotence at the moment, the natural demands of history and their realization have at this time and place produced a sharp conflict. No wonder that while the honest and dutiful Xia Baokui repeatedly deliberates and concludes that "dirty water and dirty money sooner or later lead to disease," nonetheless, he too finally plunges into the production of electric cables by primitive means. Seriously troubled, Chunxiang reports the "big wise man" to the authorities, but his endeavor is futile, and he is instead reproached by the villagers and ends up in disgrace.

This is the "secret anguish."

In treading along a winding road, history produces such "wise men" as Xia Faxiang. Although he had a stained reputation in the past, he has become a "trendsetter" during the current economic reforms where he advances his career by currying favor with important people. Relying on money and bribes to open doors, he is tainted with misdeeds. His every step is connected with the unhealthy practices in society, yet after prospering, he contributes money to building bridges and repairing schools. He engages in some charities, not to mention motivating the villagers to abandon their age-old fate of making a living from the soil. Objectively speaking, he even plays the role of benefactor. Because his business practices and methods conform with the rhythm of the advance of the times, thus good and bad cling together and could neither be untied nor separated.

The novel "Secret Anguish" realistically reflects the complications in the current economic development and reveals a slice of life in these reform times. It shatters our habit of observing life monochromatically, and transforms the people's one-sided and simplistic understanding of "outstanding household." Xia Faxiang is a "two-faced man" with an evil side; however, as he is adept in "adapting," he also has a side which looks into the future. After all, "trendsetter" is also influenced by the trends of the times. It seems that in the future, he will have to clean his hands and operate a factory honestly. As for the understanding that competitive times would not protect backwardness, the technical preparations for the plant, the administrative measures proposed, and the methods for recruitment of labor, all show him to have a broad mind and vision. And when problems crop up with the product and he must attend to the matter, his talks with the village secretary He Hui entrusting him to take his place and run the factory "should he not be able to return" even have a stirring and solemn touch of "one defying odds to meet a dangerous mission, yet not forgetting his work." Looking at it superficially, the woman manager of Chuanjian machinery plant and Chunxiang may have failed to expose him; however, in dealing with people like Xia Faxiang, restraints imposed by objective social life are actually more forceful.

Will Xia Faxiang return to his old ways? Naturally, there is no guarantee, because this cannot be solely decided by his moral values or his free will. Similarly, a simplistic moralistic criticism is far from sufficient. Xia Faxiang "prospers" because he took advantage of the loopholes in our present social relationships and makes use of the ills in our system and of unhealthy party style. However, the erection of these social relationships is far beyond the capacity of this "big wise man." In some ways. this novel enlightens us of the need to improve and establish a more reasonable social relationship during the current economic reforms. It could enable us to fight more effectively against unhealthy practices, overcome the "secret anguish" in social economic and spiritual life, cure the roots of "the illness," and allow hundreds and thousands of new and capable people in the rural areas to grow up more healthily.

Secret anguish is not plainly secret anguish. Behind it are decay and rebirth, development, and hope. Eras eradicating the old and putting forth the new inevitably have their share of desirables and undesirables, and of good and bad interlocking, just as the bubbles floating on the water are not always clean, but the undercurrent beneath the surface represents the trend toward development. At the novel's ending, with its desolate background, when the "new workers" dressed in colorful quilts and windbreakers, who arrived at the cable plant on bicycles and motorbikes, scoop up snowballs and march onward, do they not still leave a splash of fresh, bright colors?

"Secret Anguish" is a "problem novel." The work has its own singular discovery about life, but it does not exaggerate its account, thus demonstrating the writer's seriousness and discretion. However, I feel that in its criticisms, the work still lacks a bit of broad vision in history. To correctly put out a question in itself embodies an evaluation and an answer. It appears that "Secret Anguish" lacks a comprehensive and profound mastery of the multiple implications embedded in the complicated social phenomena that surfaced in the midst of economic reforms. This makes the novel's narration stop at the outlines of a sketch and not pierce further and enter the innermost spiritual world of the characters. This perhaps can be said to be a slight imperfection.

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A BOOK ON ECONOMICS WITH SPECIAL CHARACTERISTICS--INTRODUCING 'ECONOMICS OF CHINESE TOWNS AND TOWNSHIPS'

Beijing RED FLAG in Chinese No 16, 16 Aug 86 inside back cover

[Book review by Ge Bing [2047 0365]]

[Text] "Economics of Chinese Towns and Townships," a book published by the Anhui People's Publishing House, is now available to readers. This book was compiled by the Agricultural Economic Training Center of the Chinese Federation of Economic Organizations, and it is the first book to systematically deal with the economic issues in China's towns and townships.

The obvious characteristic of this book is that it studies questions of practice from a theoretical point of view. The whole book, both its chapters of general discussion and its chapters dealing with special subjects, proceeds from the study of the objective regularity of the economic development in towns and townships for the purpose of meeting the needs in developing the township economy. The book deals with many questions people have encountered in practice. The book has 4 chapters, with 14 sections, dealing with general topics. It first talks about the previous and present conditions in towns and townships and the strategic position and role of towns and townships in the development of socialist material and spiritual civilization in the countryside. It points out that developing the township economy and promoting township construction is the inevitable way to realize agricultural modernization, to urbanize China's countryside, and to establish a new-type relationship between cities and the countryside.

The main part of the book is its 29 chapters dealing with specific economic issues, which are grouped into 9 parts with a total of more than 300,000 characters. These chapters deal profoundly with such issues as the economic structure in towns and townships, township population economics, township industrial economics, township commercial economics, township service economics, finance in townships, economic information in townships, township intellectual investment, and township development planning. The book also outlines a development strategy for the township economy for the remaining years of this century and the first half of the next century, thus showing the orientation for township economic development.

The appendices of the book enumerate some characteristics and ordinary methods of township industrial enterprises management and township economic forecasting. This is also very useful for readers who are studying the management of township enterprises.

Why does this economics book cover so many topics? As the preface to the book says: "The structure of the book is based on the needs in township economic activities." The townships in China are "small and comprehensive" communities, which have industry, agriculture, commerce, transport, education, science, technology, and both material and nonmaterial production sectors. If the economic activities in a specific field are studied without being linked with other fields, the objective regularity of the township economy will not be accurately reflected, and the theory will not be able to meet the various needs in practice. The new system needs new theory, and the new economic form needs a new branch of economics. "Economics of Chinese Towns and Townships" represents a major theoretical breakthrough and a useful experiment. Since it was published, the book has found many readers over a wide range. More than 40 colleges in the country have decided to use this book as teaching material for the relevant departments.

As a branch of learning, the level of maturity of the theory will depend on the development of practice. In this sense, "Economics of Chinese Towns and Townships" still has some immature points and some defects. Further improvements to this book will be made through future practice.

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